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Daily Report

Latin America

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FBIS-LAT-94-158 *16 August 1994*

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Mercosur-EU Talks on Free Trade Zone To Begin

PY1208222594 Sao Paulo AGENCIA ESTADO in Portuguese 1921 GMT 11 Aug 94

[Text] Sao Paulo (AE)—Before the start of technical negotiations, Mercosur [Common Market of the South] and EU countries will hold initial talks in September on the establishment of a free trade zone for the two regional blocs. Brazilian, Argentine, Paraguayan, and Uruguayan foreign ministers will hold an informal meeting with their counterparts from the 12 EU countries in New York on 27 September on the occasion of the UN General Assembly.

This will be the first meeting of foreign ministers of the two blocs since the signing of the Protocol of Buenos Aires last week to establish a customs union between the four Mercosur countries as of January 1995. The preliminary talks about the basis on which the free trade zone between the Mercosur and the EU could be established will begin on 22 September when European Commission President Jacques Delors will arrive in Brasilia where he will meet Brazilian Foreign Minister Celso Amorim. The diplomatic mission of the European Commission in Brazil confirmed to AGENCIA ESTADO on 11 August that Delors will visit Brazil.

On 6 August, Amorim said in Buenos Aires that the two blocs would sign a protocol of intent this year to outline the bases for an understanding toward setting up a free trade zone between Mercosur and the EU. An European diplomat said in Brasilia that Delors will seek to expedite or at least place the integration process between the two blocs on the right track before December, when he is due to step down as president of the European Commission.

Germany, whose representative currently holds the position of temporary chairman of the EU Council of Ministers (on a six-month rotation basis), welcomed Amorim's remarks. A German Government source today said in Bonn that "although this a long, time-consuming process, we hope to reach agreement this year." The source added that preliminary talks seek to establish the framework of the negotiations. Members of the German mission in Brasilia told AE that during these negotiations the foreign ministers will table what each bloc expects to obtain through the future integration.

The German source added: "Later, we must formulate an agenda for negotiations along with the European Commission." Heads of foreign policy for Latin America of the 12 EU foreign ministries are scheduled to meet in Brussels during the first week of September to discuss this matter. Those diplomats are preparing a document on the prospects of relations between the EU and Mercosur. A draft document will be distributed among the various delegations to the EU. That meeting could produce a declaration on the subject. Diplomatic sources in Brasilia have stated that the EU has issued instructions to closely follow Mercosur's progress.

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Cuba

Interior Ministry Reports Maltese Flagship Seizure

FL1508122694 Havana Radio Progreso Network in Spanish 1102 GMT 15 Aug 94

[Report from the Ministry of Interior, MININT, dated 15 August 1994]

[Excerpt] At approximately 1600 on 14 August, several hundred antisocial elements from various areas in Havana Province gathered at the bulk sugar dock in Mariel Municipality where the Maltese flagship (Husara) was docked, while Revolutionary Armed Forces members went home after attending the farewell ceremony for Lieutenant Commander Roberto Aguilar Reyes, who was treacherously assassinated on 8 August.

These antisocial elements, apparently acting in collusion with the Greek captain of this tanker, who is engaged in fuel-trading operations in Cuba, boarded the vessel with the intention of traveling to the United States.

Rapid Deployment Brigades from the zone's Defense Council were quickly mobilized but it was already too late to stop them from boarding the ship. Additional militia and MININT forces were also mobilized to the site. Special measures were adopted to prevent the ship's departure. A complex situation has thus developed because the country cannot authorize the departure of that ship, as that would establish an extremely negative precedent that might endanger maritime transportation and the delivery of supplies to the thermoelectric plants and the people.

It is extremely dangerous to board a fuel boat because you cannot even smoke in those vessels. The situation is being carefully analyzed. The FAR and MININT forces have been instructed to observe maximum calm and control to prevent adoption of drastic measures in dealing with this problem, bearing in mind that, as usual, the hijackers brought women and children along. This incident has occurred barely 24 hours after U.S. Secretary of State Warren Christopher stated that they would continue to receive those who illegally emigrate from Cuba.

Ministry of the Interior, 15 August, 1994.

Reports Tanker Incident Over

FL1608002894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 16 Aug 94

[From the "NTV" newscast]

[Text] Everyone who boarded the (Husara) tanker in an attempt to travel to the United States left the ship voluntarily and returned home this afternoon, Monday, 15 August. The absolute conviction that the vessel was unable to leave the port; the firm, serene, and intelligent attitude of the authorities; the efficient efforts of the workers of the tugboats who tightly held the tanker to the pier; and the cooperation of the neighbors and relatives of the hijackers made it possible to solve the problem peacefully.

The efficient and commendable attitude of port workers and the area's rapid response brigades, once again headed by workers of the Blas Roca Contingent, is noteworthy. The Interior Ministry forces and their leaders handled the incident successfully and with great talent. The party and its cadres were present and acted with efficiency and sangfroid at all times.

The culpability of the ship's captain and other members of the crew will be investigated.

This information was just received from the Interior Ministry.

Castro Arrives at Mariel Following Tanker Seizure

FL1508174994 Havana Radio Rebelde Network in Spanish 1708 GMT 15 Aug 94

[Report by Elba Marina Alcover and Roberto Cavada for the "National Radio News"]

[Text] A few hours after learning that a large group of citizens had boarded the tanker (Husara) in the port of Mariel with the intention of leaving the country, Commander in Chief Fidel Castro went to the dock where the ship was anchored. This was confirmed to the National Radio News by Esteban Alfaro, first secretary of the party in this Havana Province municipality.

[Begin recording] [Alfaro] The commander's visit here was very important. He is first in the line of combat. He went there in the afternoon and came to our territory in the early morning hours to get information on the event.

[Alcover] He wanted firsthand information on what happened.

[Alfaro] Exactly. [He wanted] first-hand knowledge despite the risks.

[Alcover] Did he go near the ship?

[Alfaro] He went near the ship.

[Alcover] Thank you. [end recording]

Alfaro, first secretary of the party in Mariel Municipality, also notified National Radio News that approximately 500 citizens have boarded the Maltese flagship. More than 200 of them are from this municipality and the others came from Ciudad de la Havana Province and Havana Province.

There are many women with children, and six people left the ship between yesterday afternoon and this afternoon. These people have returned normally to their homes here in Mariel Municipality. Incidentally, Alfaro said the homes of all citizens aboard the ship are under guard and protected so the rest of the population does not break into them.

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The first secretary of the party in Mariel Municipality said the ship carries 500 tons of fuel, which is dangerous given the number of people on board and the fact that a match or a cigarette may be lit, thus provoking a deplorable accident.

Likewise, the first secretary of the party in Mariel Municipality criticized the attitude adopted by the ship's Greek captain, who refuses to emerge. He confirmed that the captain loosened the ropes, lowered the gangway, and urged the people to board the ship.

To conclude, Cuban authorities are helping the women and children aboard the ship by providing water, food, and other essentials.

Diplomat Denounces U.S. 'Campaign of Destabilization'

FL1508210094 Havana Radio Reloj Network in Spanish 1943 GMT 15 Aug 94

[Text] On 15 August, Cuba denounced the U.S. campaign of destabilization, which, in addition to being a propaganda tool against the Revolution, seeks to provoke riots and conflicts to justify a foreign invasion. Hilda Diaz, charge d'affaires of the Cuban Embassy in Beijing, pointed out that Washington for a long time has been implementing a strategy, grounded in the economic blockade, to hamper the reception of foreign capital and tourism, foster discontent among the population, and encourage illegal departures. Diaz told a news conference of the mass reaction of the people in support of the revolutionary government. Diaz added that the United States not only conducts a smear campaign but also has tried to present the problem before the United Nations as part of its scheme to intervene in the domestic affairs of other countries.

Camaguey Party Leader Addresses Funeral

FL1508184494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 2109 GMT 14 Aug 94

[Address by Julian Rizo Alvarez, Cuban Communist Party (PCC) first secretary in Camaguey Province and Politburo member, at the funeral for Lieutenant Roberto Aguilar Reyes on Ignacio Agramonte Revolutionary Square, in Camaguey—live]

[Text] Comrade Raul Castro Ruz; comrade leaders of the Party, the government, and our glorious Revolutionary Armed Forces [FAR]; relatives of dear Comrade Roberto Aguilar Reyes; people of Camaguey; compatriots:

The soil of Camaguey, which saw his birth 38 years ago, today receives a heroic son who has fallen in combat. The battle was unfair: He was surprised by the traitor's treachery, and his loyal weapon was unable to respond to the assassin's two mortal shots. As in the case of NCO Gabriel Lamoth, to whom we bade farewell last week in Havana, on a Sunday like this, Lieutenant Roberto Aguilar Reyes' lifeless body was rescued from the waters of the bay, in this case, after an intense and distressing search for more than 40 endless hours.

It is standard practice for our FAR to go all-out to rescue comrades who are wounded or killed in combat, to honor the mortal remains of those who have fallen for the fatherland and internationalism, to erect lasting memories in their honor—a simple gravestone with his name—and to set an example for future generations. However, this particular search was distressing and more intense than usual, taking place during both day and night.

Why? Finding Roberto's body was necessary to expose the infamous and cynical story fabricated in the United States to make the world believe that the repugnant crime had not taken place [words indistinct] the officer who Cuban authorities said had been a murder victim. Can you imagine a greater lewdness, mendacity, and disdain for the truth? How credible can a government that acts like this be? The U.S. Government, a government that does not respect itself, invented this story. This is the government of a country that, unfortunately, lies 90 miles from our shores, the world's only military superpower. It has enormous means of mass dissemination and influences those of other powerful countries. It can spread lies among billions of people worldwide.

Goebbels, well known as head of Hitler's propaganda machine, created the cynical concept: The greater the lie, the easier it is to make everyone believe it. However, they did not have the all-powerful and universal instruments of dissemination in Hitler's day that we have today. The U.S. Administration, regardless of the party, uses Hitler's concept of lies and fools its own people and all mankind every day, at all hours of the day, and through all means.

We had to find our assassinated comrade's body so that we would have irrefutable proof to destroy the repugnant lies and uncover the vile maneuvers of the Yankee government. The body of dear Roberto appeared finally, at 1200 on 10 August, already swollen with water. He won one final battle, though, for the reappearance of his body helped expose that tainted, imperialist lie. [applause]

Roberto Aguilar Reyes won many battles while he was alive. He was raised in a humble Camaguey home. He won the battle to excel, which the Revolution makes possible for every Cuban child and youth. He attended elementary, junior high, and high schools. He won the ideology battle. He joined the Union of Young Communists [UJC] at 16 and the PCC at 28.

He won the battle for military professionalism. He fulfilled his patriotic duty by serving the Navy with exemplary behavior that was recognized by his command. It was his love of the FAR that made him return and join a naval NCO course. Once he graduated, he held different positions of responsibility and was promoted to lieutenant. He was the son of Georgina Reyes

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Sanchez, an exemplary woman of the Revolution and combatant of the clandestine battle. [applause]

He was the brother of two FAR officers. Roberto established his own family with his wife, Daisy de la Rosa, and the home in which three children were born: Liugmila, 13; Daney, 10; and Deusdey, 9.

This is the humble, responsible, disciplined, trustworthy, patriotic, and revolutionary man who the empire has murdered... [pauses to allow applause] through the cowardly hand of a half-witted amoral weakling poisoned by the enemy's propaganda, dazzled by the consumptive society, degraded by the rotten ideology of capitalism, which one way or another penetrates minds inclined toward the easy life, selfishness, cruelty, and disloyalty.

We do not arbitrarily accuse U.S. imperialism of being the main perpetrator and accomplice in this crime—that is, in the boat hijacking and in the assassin's illegal departure with a group of turncoats to the brutal and troublemaking north. They could only arrive there with the help of the U.S. Coast Guard, which the Cuban Border Guard Troops directorate warned would find the murderer on board.

Cuba has suffered a brutal U.S. blockade for almost 35 years. U.S. Administrations have used many pretexts in all those years to try to justify the inhuman measure. First, it was Cuba's military alliance with the USSR in a world divided into antagonistic blocs and by Cold War. The USSR and the Warsaw Pact ceased to exist years ago; the so-called Cold War has ended, and Cuba has no military alliance with any other country.

Another pretext: Cuba's support for Latin American revolutionary movements on a continent where bloody military tyrannies ruled, from Trujillo and Somoza, in the Caribbean, to the military satrapies in Paraguay, Uruguay, Argentina, and Chile, in South America. All this changed, the tyrannies were defeated by the people's struggle, and the new governments which emerged from that struggle now maintain normal diplomatic relations with Cuba. We participated with those countries in the Ibero-American summits and in the Association of Caribbean States. The United States can no longer use that excuse.

Cuba's internationalist aid for Africa's liberation from colonialism and racism later became Washington's fallacious argument. Our troops returned home a long time ago, with flags held high, a triumphant march, and happy hearts due to Angola's territorial integrity, Namibia's independence, and the death blow dealt to the beasts of apartheid. The U.S. Government had no more arguments to justify the immoral blockade, so it invented new ones: the so-called human rights and market economy arguments. To the lack of [word indistinct] on Cuba's international behavior and that this presumably affected U.S. geopolitical security and interests, there was no other excuse for complete interference, blatant interference—that is, to dictate a sovereign state's political-economic regime.

The United States has used this new excuse not only to maintain but also to reinforce the criminal blockade, specifically through the so-called Torricelli bill. The bill extends the economic wall around Cuba to third countries and to merchant ships, in violation of international law and the freedom to navigate. What harms our efforts to open up economically even more is the pressure placed on any businessman of any nationality who begins negotiations with Cuba not to invest in our country. This is not mentioned in the Bill but is everyday practice for U.S. embassies worldwide. This malicious and efficient persecution, in which many Yankee ambassadors participate, can be expressed statistically: U.S. pressure spoils an average of nine out of every 10 negotiations that begin, with only one materializing or bearing fruit.

The sophistries change as time goes by, but the U.S. blockade of Cuba has a definite purpose: Strangle us with hunger and sickness, foment internal discontent and bloody clashes, destabilize the country, create the conditions that allow them to fabricate the pretext to intervene militarily in Cuba, destroy the Revolution, seize our national independence, submit us to their neocolonial dominance, and restore to Cuba a most fierce and barbaric capitalism. We cannot describe this monstrous plan as anything but genocide, because its application is only conceivable on seas of blood, on millions of dead, on the extermination of a people. Antonio Maceo's warning applies to this island today, more than ever before: Anyone who tries to take Cuba will pick up the dust of its soil drenched in blood, if they do not die in the struggle first. [applause]

The reinforced economic blockade, along with the tremendous economic impact the collapse of the USSR and the European Socialist bloc has had on Cuba and on our foreign trade, has led to the difficult conditions of the special period. These economic difficulties encourage those who lack the patriotism and courage to resist and work hard with the conviction that we will overcome to emigrate—that is, the blockade is the main reason Cubans emigrate to the United States. On the one hand, North America foments Cuba's migratory movement toward its country by trying to asphyxiate it economically; on the other, they limit the number of visas for Cuban citizens who request them legally either to visit relatives in the United States or to definitely reunite themselves with them, making the migratory agreement between the two countries—which set the annual number of immigrants at 20,000—useless.

The U.S. Government simultaneously encourages illegal departures to Florida. It could care less about the risks that those who challenge the Florida straits on rafts or fragile vessels face. Those who die in the attempt and those who arrive are objects of slanderous anti-Cuban propaganda for the U.S. Administration. Anyone who steals or hijacks a sea-going or air vessel in Cuba and reaches Florida is welcomed as a hero. Even an act of piracy—a greater crime—involving violence or murder does not inhibit a warm welcome.

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No Cuban has ever been punished in the United States for these grave crimes.

The U.S. blockade stimulates economic emigration, while Washington's migration policy on Cuban citizens encourages the forbidden exit from Cuba to the United States through any means. The United States is entirely responsible for the deaths caused during the adventurous thefts and hijackings of boats and airplanes, the taking of innocent hostages, and the murders. The United States is responsible for the deaths of NCO Gabriel Lamoth and Lieutenant Roberto Aguilar. The United States is responsible for the Havana riots of 5 August, promoting an anti-Cuban campaign on the occasion of the sinking of the 100-year-old tugboat on 13 July. This motivated those who hijacked the motorboats on 26 July and 3 August, shielded by innocent hostages—children, women, and elderly people.

The counterrevolutionary stations in Miami, which broadcast more than 1,000 hours of subversive propaganda to Cuba each week, reported that the hijacked motorboats had been rescued in international waters by U.S. Coast Guard ships, taken to Florida, and welcomed there by authorities and annexationist Cubans.

The antisocials and convicted felons, many of them with records of attempted escapes from Cuba, observed the exit of three motorboats from the Malecon escorted by our border patrol units, which abstained from any action that would endanger the lives of the innocent hostages. These elements later heard, through the broadcasts from Miami, that the hijackers and their conspirators had been successful. On 5 August, they went to the ports and the neighboring areas to board any embarkation, generalized piracy. They made a mistake. They misinterpreted the composure, the equanimity, and the humanitarianism of our border patrols and agents of the public order. The people and the police gave them what they deserved. They impeded the embarkations, dispersed the adventurers, and arrested the criminals. It was a victory for the workers of the capital, who acted spotaneously as rapid response detachments, and for the agents of public order. It was again demonstrated that the streets belong and will always belong to the revolutionaries. [applause]

The patriots who confronted the antisocials were encouraged by Fidel's presence at the very scene of the battle, directing the people in the battle and teaching them to link courage with intelligence to defeat the enemy's provocations.

The antisocial disturbances in the capital suggest that we should remain alert, especially where there are embarkations or airplanes that elements desperate to emigrate to the United States might try to steal or hijack. These means of transportation, by land or by sea, must be protected on land. It is impermissible to stop a ship at sea or airplane in the air with hostages on board because to us the life of an innocent child is more valuable than all the means of transportation and more valuable than all the individuals who attempt to abandon their country illegally. [applause]

We count on the people, organized into rapid response detachments, to act against these elements and to prevent these acts. We do not have to wait for an order, because the order of defending the Revolution has already been given. Wherever there is a revolutionary, a patriot, there is a guardian of the people's interests who is willing to go to battle with or without detachments, in advantageous or uneven conditions. [applause]

If we are willing to confront the invaders and armed aggression by the world's military superpower to the last bullet, how can we allow a group of undesirable individuals to carry out these acts? Our agents of public order will always act with the equanimity and composure that they demonstrated in the capital—with a heart of steel and a cool head—as will our workers and students—with hard fists and passionate souls. The most important thing is to act quickly to prevent an antisocial outbreak before it occurs.

This revolutionary vigilance must be maintained without getting distracted from our principal task, namely increasing food and sugar production and meeting the directives of the recent territorial party meetings.

Comrades, in his last two televised appearances—on 5 and 11 August—our commander in chief expounded on how the U.S. Government's [words indistinct] permanent, hostile policy against Cuba have created the conditions for the mass exodus of Cuban citizens who want to become U.S. citizens or who, at least, want to abandon Cuba, a Third World nation blockaded and in the midst of a special period.

Socialism is a voluntary cause for the men and women who treasure the noble ideals of social justice, human solidarity, national independence, and complete dignity. In line with this concept, we have established a migration policy by which anyone who wishes to live in another country can do so through legal means. Anyone who wishes to reunite himself with relatives abroad can do so or can visit and return if he so wishes. However, the United States keeps the legal means to a minimum—as far as temporary visas or residency goes—while it receives all Cuban citizen who arrive through any illegal means to that country. This encourages the illegal exits and obliges us to become guardians of the U.S. borders.

The time has come for the United States to protect its own borders, as it does the border with Mexico—by building a modern version of the Great Wall of China—or Haiti—by mobilizing fleets—or Santo Domingo—by protecting the Mona Passage, which leads to its commonwealth of Puerto Rico.

The U.S. Government has responded to our commander in chief's statements through its attorney general, who just announced that the United States will prevent ships from leaving the United States to pick up relatives or friends in Cuba. This order was issued by that country's government. It has also announced that the so-called

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Cuban Adjustment Act of 1966, which legalizes the entry of any Cuban who arrives on U.S. territory through his own means, will be maintained. This is euphemistic: In clearer terms, this means that all Cubans who leave Cuba illegally will be welcomed in the United States. Therefore, the problem remains because the Cubans who are encouraged by Yankee policy to emigrate live in Cuba.

The U.S. Government wants to find a true solution to the problem that they have created. Cuba is not opposed to discussing solutions. Cuba has always been willing to discuss any issues of bilateral interest with the United States, based on equality and mutual respect as sovereign states. On increased emigration to the United States, Fidel has pointed out: A serious, valid, and significant bilateral discussion would have to get to the bottom of the problem. This implies a discussion of the blockade, an end to the blockade, ending the policy of constantly exhorting terrorism, crimes, and illegal departures from the country. It implies solving the issue of the famous Cuban Adjustment Act of 1966, which gives Cubans privileges in matters of immigration and which legitimizes the illegal emigration of Cuban citizens.

Fidel added: Getting to the bottom of the issue would also require a discussion of their policy and strategy to destroy the Cuban revolution, their plans to create discontent, to promote violence, and to bathe our country in blood as an instrument to destroy the Revolution. Our commander in chief concluded: We would have to discuss this to get to the bottom of the problem.

When Cuba places the end of the criminal blockade as the first item for discussion with the United States, it is only demanding what other countries have demanded in the UN General Assembly, where the United States received just two votes. Those two votes, together with its own, totalled three. These were the only countries to defend the indefensible blockade among 179 UN member- nations.

The problem has been presented. The United States and the world have been warned. The ball is in the U.S. court now.

It is not inappropriate for us to express this in a solemn funeral ceremony, because the brave son of our people, to whom we bid farewell until the eternal victory, was a victim of that merciless hostility of U.S. Administrations against Cuba.

To Lieutenant Roberto Aguilar Reyes, ascended posthumously to lieutenant commander, we say: We will be worthy of your sacrifice. Roberto, twice you received the national distinction of vanguard of the FAR. With your dedication and example, you will always be a vanguard of our glorious FAR. [applause]

Your highest decoration in life was the medal named in honor of Ignacio Agramonte, one of the great heroes of the fatherland and the most distinguished son of the same land where you were born and in which we bury your mortal remains. Your posthumous decoration is the Antonio Maceo Order. You fell in the port of Mariel, the place for Maceo's last heroic deed. [applause]

He confronted an enemy attack on a small boat among the Spanish warships, responding to Gomez's call with unlimited valor and audacity to fulfill with discipline the chief general's order.

You were a man forged by the FAR, a modest, and loyal disciple of Ignacio Agramonte and Antonio Maceo. [applause]

Above all, you were a fervent follower of Marti, inspired by his vocation of complete dedication to the fatherland and with the premonition that as the apostle, you were on the eve of a long journey and that you would also fall facing the sun.

Dear Comrades Raul and Almeida, tell the commander in chief that the people of Camaguey...[pauses to allow applause] saddle up with the Mambi cavalry...[pauses to allow applause] that their people, on foot and with machete in hand to cut cane and eradicate the Marabu [weed] to produce more food, is willing to gallop and charge the enemy that dares put a foot in our valleys...[pauses to allow applause] with the decision that Agramonte, Gomez, and Maceo showed us...[pauses to allow applause] with the unmovable faith in the victory and in Fidel, that Che and Camilo showed us during their heroic crossing through these lands...[pauses to allow applause] and that for the traitors we do not waste ammunition, we have more than enough courage [guacimas]. Tell him that Camaguey is an unyielding bastion of the Revolution. [applause]

People of Camaguey, let us demand along with all of Cuba an end to the killing of our children.

Viva free Cuba! [crowd shouts: "Viva!"]

Viva, Fidel! [crowd shouts: "Viva!"]

Viva, Raul! [crowd shouts: "Viva!"]

Socialism or death! Fatherland or death! We will win! [crowd applauds and shouts: "We will win!"]

Afro-Asian Solidarity Group Denounces U.S. Policy

PA1208015194 Havna PRENSA LATINA in Spanish 2117 GMT 10 Aug 94

[Text] Havana, 10 Aug (PL)—The Afro-Asian Peoples Solidarity Organization (OSPAA) today repudiated the disturbances in Havana and denounced the U.S. policy that seeks to instigate such incidents and destabilize the country.

In a note released here this afternoon, the OSPAA stated that while Washington denies legal departures by Cubans wishing to emigrate, it welcomes those who, risking their lives and the lives of hostages, try to do so illegally.

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The U.S. Government is responsible for the worsening economic difficulties faced today by Cuban society, as a result of the economic, financial, and commercial blockade against the Cuban people, the OSPAA states.

Also, the U.S. Government promotes a war via the radio airwaves to create disturbances in Cuban society, transmitting over 1,000 hours weekly on 17 different frequencies from U.S. territory, the note added.

Foreign Minister To Visit Bolivia 25-26 Aug

FL1208160794 Havana Radio Progreso Network in Spanish 1100 GMT 12 Aug 94

[From the "First Thing" program]

[Text] Cuban Foreign Minister Roberto Robaina will conduct an official visit to Bolivia on 25 and 26 August, during which economic and political topics will be discussed.

Bolivian Foreign Minister Antonio Aranibar Quiroga stated in La Paz, Bolivia, that the main focus of the visit will be the discussion of bilateral matters of mutual interest, such as trade promotion in all sectors.

Radio Reports Dominican Opposition Protests

FL1608011394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 16 Aug 94

[From the "NTV" newscast]

[Text] Jose Francisco Pena Gomez, Dominican opposition leader, has accused the ruling Social Christian Reformist Party [PRSC] of violating the recent Pact for Democracy in an attempt to conjure [conjurar] the postelectoral crisis. Pena Gomez demands that President Joaquin Balaguer call a new Constituent Assembly for 17 August. Pena Gomez said in a radio interview that the agreement established with Balaguer to reduce the new term—which will go into effect tomorrow—to 18 months was violated by the PRSC and Dominican Liberation Party legislators during the Constituent Assembly that just ended. The decisions approved this weekend by Congress complicate the political panorama in the Dominican Republic on the eve of Balaguer's inauguration.

'Straight Talk' Reviews Raul Castro Address

FL1508122994 Havana Radio Rebelde Network in Spanish 1600 GMT 12 Aug 94

["Straight Talk" studio discussion between host Osvaldo Rodriguez, BOHEMIA magazine, and Renato Recio, TRABAJADORES newspaper, on Army General Raul Castro's 3 August address to the National Assembly of the People's Government (ANPP); date not given—live or recorded]

[Text] [Rodriguez] The address not only reflects what the great majority of our people and our workers feel but also has filled us with the combative spirit. Comrade Raul Castro clearly described a complacent and self-indulgent attitude that we must avoid today. Being satisfied with our small accomplishments is not enough: We must go on and identify what was not achieved and explore what could have been achieved. I propose that we discuss this issue since opinions differ. It is important to have differing views. There are different ways to reach similar goals.

[Recio] It is a pity that recent incidents in Havana have, perhaps, drawn the attention of the press—ourselves included—from the issues and ideas Raul Castro addressed at the ANPP.

[Rodriguez] Do you not believe that the enemy could have intentionally staged this diversion?

[Recio] Perhaps, but that is speculation. If the events truly diverted the revolutionaries in any way from discussion of Raul Castro's ideas, they also raised our combative spirit. We clearly see that battles are being waged on two well-defined fronts: One battle is being waged against enemy activity on the propaganda and ideas front; the other battle is to restore the economy, order, and social discipline and to unify and develop a smarter approach to economic problems.

Raul Castro spoke in a language that, as you just said, is recognized by the people, particularly workers, a plain and truthful language. Despite what you describe as a complacent and indulgent attitude—which took root in Cuba for whatever reason nobody knows—I cannot understand how a revolution founded on truth and with the utmost sincerity—like Castro said in the address—can become so foul that many people see life through rose-colored glasses when this is not the case.

Many people present partial results and overstate them, turning them into valid and vital statements, while these results are only one more part of the whole. As a first step, Raul Castro asked for information and for the truth to be told such as it is.

[Rodriguez] Yes, but he also asked management cadres to consider the devil's advocate. Every management team needs a devil's advocate. We all know that anyone who holds this position will be subjected to abuse and contempt and scrutinized for any possible flaw that might force them out of the way, because it is easy to lead without opposition. This would be the best way to lead. However, contradiction is necessary in any management team. Raul Castro was very straightforward with the ANPP on this subject and was applauded. We still hear echoes of the applause not only inside the ANPP meeting but also among the people.

[Recio] That is what I wanted to say. Raul Castro's address was one of the best examples of straight talk we have had in recent times. However, I disagree with you on the importance of the devil's advocate. We need to make it

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clear to those listening that devil's advocate is an expression which reflects a management technique. Instead of devil's advocates, I prefer democracy—which Raul Castro describes perfectly—democracy in the sense that discussion is needed, people need to voice their opinions on any particular matter. For instance, if management decides to plant yuca in rocky soil—red or black soil or a very dense soil, etc.—then the workers—or some of the workers or their delegates—should have the chance to voice their opinion, to say that it is not convenient to plant now, under these circumstances, etc. The example is crude, but it is a daily and important example.

[Recio] Management guides the workers. We are referring to those with administrative, management, or union jobs who represent and direct human resources. These guides should sustain two principles: the principle of collective discussion—of democracy, of hearing the opinions of others; and the principle of truth—of true fact, rather than circumvention of the real issues by the use of slogans. Raul Castro himself noted during his address to the ANPP that tones and shades in the wording of some of the comrades aimed to transform his own words into slogans, when he stressed: I do not mean slogan in a pejorative way, but slogans can be so repetitive that they miss the point. If everyone begins repeating, yes we can, yes we can, then the words are no longer effective. And slogans are not important; it is concepts that matter.

I found Raul Castro's address antibureaucratic, meant to challenge bureaucratic thinking, stagnation, banal formulas, inertia, passivity, blind and antidemocratic rigidity, and everything expressed by a bureaucratic style of management.

[Rodriguez] One of the main themes of Raul Castro's address was reconciliation with the workers' beliefs. He repeated many times that the masses tend to be right, but that this also became a slogan. In the past, when four individuals made a decision opposing the opinion of a fifth, then that decision needed to be implemented because the majority is always right—the four being the majority. However, a worker's unit—perhaps poorly trained, badly led, with a poor selection of individuals—generally speaks and holds a set of opinions which, though sometimes not totally correct, are at least close to the truth. At least they do no like to say what they have not achieved, they dislike numbers that lie, and they are the first to point at shameless bosses who lie about achievements. In addition, it is necessary to consider the quality of a product and the time involved, so the numbers given can be false.

Raul Castro was able to grasp the workers' thoughts and incorporate them into his address. We know that Raul Castro has recently been in constant touch with the workers, seeking their opinions about this situation. This has been the party's style, especially at base level. However, I do not believe that all places hold these ideas as truth. Many times, planting problems are discussed in the office instead of on the farms. This is how distortions originate.

[Recio] One of the important points of Raul Castro's address is his call for criticism and self-examiniation. However, criticism carries the danger of going to extremes. It is positive when democratic and necessary. When it goes to extremes, when criticism becomes the end instead of the means to obtaining good results, then it is very negative. Raul criticized both extremes: excessive and insufficient criticism. He added that although they appear to be opposite elements, they cause the same damage to the truth.

Straight Talk, our program, has always feared criticism that is not constructive. However, the philosophy reasserted by Raul Castro helps the press commit to disseminating the news. We sometimes do not tell the people the raw truth; we try to protect them, as if to avoid being misunderstood or discouraging. I have always thought what Raul Castro reconfirmed: that we have internal problems and cannot blame the blockade for all of our problems. We know, of course, that the blockade and the fall of the Soviet socialist model greatly affected our situation, but we ourselves have responsibilities. We are not as creative as we should be and we do not make decisions on time, do not manage and act as we should.

ICAP President Predicts Big Turnout at Solidarity Encounter

PA1408210494 Havana PRENSA LATINA in Spanish 1547 GMT 13 Aug 94

[Text] Havana, 13 Aug (PL)—Sergio Corrieri, president of the Cuban Friendship with the Peoples Institute (ICAP), has stated that Cuba expects a big turnout of its friends in the first World Solidarity Encounter in Havana next November.

Corrieri believes the increase in the number of supporters of Cuba in the solidarity brigades and the ample turnout at regional encounters (in Latin America, the Caribbean, and Europe) enables him to predict that this encounter will also have a good number of participants.

The meeting is very important due to growing international support for the Cuban people's cause and because it will be a good opportunity to again take a stand against the blockade imposed by the United States on Cuba more than 30 years ago, Corrieri told the NATIONAL INFORMATION AGENCY (AIN).

The central topic of the meeting will be the struggle against the blockade. Cuban Parliament President Ricardo Alarcon, Foreign Minister Roberto Robaina, and State Council Vice President Carlos Lage are scheduled to make special presentations at this event, the ICAP official reported.

The participants will be able to interact with various sectors of the population such as students, peasants,

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athletes, and artists, and will also visit important socio-economic projects in the country.

Havana PCC Bureau Praises People's 'Heroic Fight'

FL1208150794 Havana Radio Rebelde Network in Spanish 0900 GMT 12 Aug 94

[From the "Doing Radio" program]

[Text] Provincial Bureau of the Communist Party of Cuba [PCC] officials in Havana have issued a letter praising Havana residents for their brave stance during last week's riots around El Malecon. In the letter, the Provincial Bureau congratulated Havana residents for the heroic fight in which they demonstrated that the streets, now and always, belong to the people and the Revolution. The note adds that the city is returning to normal after the battle; however, this does not imply we can let our guard down; to the contrary, we must continue to struggle in food production, in the fulfillment of the sugarcane harvest goals, and toward economic efficiency.

Commentary Questions Complaints About Schools, Teachers

FL1108194294 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Aug 94

[Commentary by Susana Tesoro from the "National Radio News": "You Don't Know What You've Got"]

[Text] An ever growing phenomena in Latin America is the number of school-age children working in the most diverse jobs, such as shoe shiner, paper carrier, cleaning and guarding cars, or simply thievery.

Every five hours the world invests in a military build up the equivalent of the UNICEF's annual budget. Unfortunately, mankind expends much more money on weapons than on public health and education. If this continues, what does the future bear the children of our America? If we are to speak of human rights, we presume that the right to education is as essential as that of freedom. Or is it possible, perhaps, to be truly free without knowing how to read and write? Think about our children, the Cuban children and youths who endure so many shortages, who, by our side, will become part of the generation which knew how to confront the greatest economic crisis Cuba has ever experienced. It is worthwhile to stress, however, that our children have the right to free education and have a chance to become someone.

I hear relatives complain that Cuban schools have this or that shortcoming, and that teachers have this or that deficiency. This is why I would like to ask them: What are you doing to improve things? How is your own performance? Or: What is your contribution to society?

We are aware of the many things around us done poorly; yet those people who demand and demand without contributing bring to mind the old phrase: You don't know what you've got until it's gone.

First Month of Winter Sugarcane Planting 'Insufficient'

FL1208111494 Havana Radio Progreso Network in Spanish 1100 GMT 5 Aug 94

[From the "First Thing" program]

[Text] The results of the first month of the essential winter sugarcane planting program were insufficient: Only 1,690 caballerias was planted in Cuba, approximately 500 caballerias less than was expected. The Sugar Industry Ministry reports that only 70 percent of July's planting goal was reached. The only provinces that met or surpassed their goals were Matanzas, Camaguey, Las Tunas, Holguin, and Granma.

Radio Explains New Electricity Rates for October

FL1208111794 Havana Radio Progreso Network in Spanish 1100 GMT 5 Aug 94

[From the "First Thing" program]

[Text] If you consume 100 kilowatts or less, you will continue to pay a rate of nine cents. If you consume more than that, you will have to pay a rate of 20 cents per kilowatt as of 1 October. For example, if your August consumption was 100, then you will have to pay nine pesos. If the total amount consumed was 150, the extra 50 will have to be paid at a rate of 20 cents per kilowatt, therefore, 10 pesos. The rate system is to be applied to all residential service, the common areas of the multifamily buildings, and the electric service given to workers who are self-employed. There is a provision that the meter readings, which are made in phases, be strictly adjusted to the new rate. There is also a provision for detecting and taking action against fraud, as well as maintaining all billing services to date and other aspects, according to information from the Electric Union.

Palmero: Those Whose Harvests Are Poor Will Lose Jobs

FL1208142694 Havana Radio Progreso Network in Spanish 1100 GMT 12 Aug 94

[From the "First Thing" program]

[Text] Candido Palmero Hernandez, member of the Politburo and first secretary of the Communist Party of Cuba in Havana, called for the implementation of measures to weed vegetable and tuber crops in the province.

During the tour through several farms, it was noted that over 180 caballerias of various crops showed light, medium, and heavy levels of weeds, particularly in plantain and yuca farms in Artemisa, Nueva Paz, Quivican, Batabano, Guines, and Melena del Sur Municipalities.

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Palmero stated that it makes no sense to plant and later leave the crops unattended, and that people will be held accountable. He added that from now on cadres will be evaluated by their results. Those who do not perform, no matter how good they might be, will be replaced. Additionally, those whose harvests are poor due to irresponsibility, will loose their jobs and will have to pay from their own pockets.

The visit revealed that crop tending lagged seriously behind, particularly in most of the 500 plantain caballerias in Havana, which use the microjet irrigation system and show low yields.

Palmero strongly criticized the Youth Labor Army forces, due to the high levels of weeds found in over 200 banana and plantain caballerias which they tend.

Barbados

Prime Minister Declares Candidacy in Election

FL1608012094 Castries HTS Caribvision Television in English 1945 GMT 15 Aug 94

[From the "Caribbean Evening News" program]

[Text] Outgoing Democratic Labor Party, DLP, President Prime Minister Erskine Sandiford says he will be a candidate in the 6 September general elections. He confirmed his candidacy as he addressed the 39th annual conference of the Democratic Labor Party at the George Street Auditorium. Vivelyn Brewster has more:

[Begin recording] [Brewster] During his half-hour presentation, punctuated by thunderous applause from DLP delegates, Prime Minister Erskine Sandiford touched on a number of issues: regional and hemispheric integration, the Haitian crisis, and his political future. As to his future in politics, Mr. Sandiford said he'd be contesting the St. Michael South seat in the upcoming poll.

[Sandiford] Because I wish to ensure that the Democratic Labor Party retains the seat in St. Michael South-...[pauses to allow applause] as part of a Democratic Labor Party victory in the forthcoming general elections. [applause]

[Brewster] Mr. Sandiford reaffirmed his commitment to the Party, which he said has contributed to every aspect of social development in this country. And, according to him, if he ever considered himself a liability to the Party, he would retire from public life. Mr. Sandiford has also been explaining his reason for calling elections rather than resigning, as many had advised following the successful no-confidence motion against him. According to Mr. Sandiford, the mandate given to him by the people in 1991 had been breached because some members of the victorious team defected.

[Sandiford] And true democrat that I am, I declare if the mandate given by the people in 1991 was breached, it is only the people of Barbados who can correct that breach. [applause]

[Brewster] Prime Minister Sandiford also defended the DLP's record in recent years, pointing to a number of capital projects: Sherbourne Center, the Sir Frank Walcott building, and the (Wotong) Civic Center. He also mentioned the government's ability to restructure and rebuild the economy after what he called one of the most (?virulent) recessions since the depression of the 1970s.

At this morning's conference, the St. Michael South community choir rendered the DLP's anthem, composed by Anthony Carter. [choir sings] [end recording]

Haiti

De Facto Government Gathers 'Volunteer' Militiamen

PA1608051994 Mexico City NOTIMEX in Spanish 0423 GMT 16 Aug 94

[Text] Port-au-Prince, 15 Aug (NOTIMEX)—The Haitian de facto government gathered thousands of "volunteer" militiamen today in a new military deployment, while observers attest to the presence of "Arabs" in the increased repression in the Caribbean country.

Thousands of "volunteer" civilians were taken to the Haitian capital of Port-au-Prince from several provinces of the country to participate, in front of military garrisons, in the military concentration in Haiti, following the gathering of 12 August.

According to analysts, top military coupists decided to call the military concentration, following the poor turnout of the gathering on 12 August, to demonstrate their "strength and determination" in the face of a possible international invasion approved by the UN organization.

The United Nations approved on 31 July a possible international invasion in order to promote a favorable climate in Haiti for the return of democracy and the return to power of President Jean-Bertrand Aristide, who was deposed in September 1991.

The new military demonstration in Port-au-Prince occurred while observers and independent organizations denounced an intensification [word indistinct] in Haiti with a larger presence of "Arabs."

The most disconcerting note was the presence of men wearing turbans on their head, reminiscent of the early years of Duvalierism, of the darkest stage of political repression, an observer said.

Haitians popularly identify "Arabs" as people who usually wear turbans and describe them as sympathizers of the de facto regime, which is implicated in the repression of the opposition.

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A civil mission of the United Nations and the OAS has stated individuals of Arab origin had participated in the assassination of Antoine Izmery, who was an ally of ousted President Jean-Bertrand Aristide.

"Arabs do not trust mediators, and that point is why they form their own patrols. They like to direct their affairs themselves. It is just like their businesses; they are right behind the cash register," said a person who was kidnapped by a group of Arabs some months ago.

The human rights situation has worsened, according to the Human Rights Platform, which reported in July 41 summary executions, while the Justice and Peace Commission of the Catholic clergy denounced the arrest and torture of one of its members.

The reports by the platform and the commission are the first learned about the human rights situation in Haiti, given the UN-OAS mission was declared non grata by the coupists and left the country last 13 July.

The de facto government announced on 12 August local newsmen cannot transmit statements by foreign diplomats without prior permission of the Information Ministry.

According to analysts, the measure is seemingly directed at the spokespersons of the U.S. Embassy, whose ambassador, William Swing, stated on 10 August "the regime in power is still promoting a climate of terror against the people."

Military Bars Entry of British Journalists

PA1508151594 Mexico City NOTIMEX in Spanish 0854 GMT 15 Aug 94

[Report by Maria de Lourdes Pallais]

[Text] Jiman, Dominican Republic, 14 Aug (NOTIMEX)—Haitian authorities have begun to restrict the arrival of foreign journalists into the country, which faces an invasion by multinational forces as approved by the United Nations. In an unprecedented action, the Haitian military yesterday barred the entrance of three British journalists, who had already crossed the border from the Dominican Republic. Haiti and the Dominican Republic share the Caribbean island known as Hispaniola.

"We had already passed the immigration check. Our passports had been stamped with a seal authorizing us to enter Haiti, and we were on our way to Port-au-Prince when we passed a jeep. A military man got out and signaled us to stop," one of the journalists, who requested that he not be identified, reported. "He said we needed a special permit to enter the country. Otherwise, we would have to go back," the journalist said.

When the three journalists returned to the Haitian border checkpoint at Malpase, British photographer Lea Gordon tried to find out what kind of permit the military man was referring to. "We were told it was a permit, a sort of safe conduct given by the military stationed in the town of Croix-de-Bouquet," Gordon said. She referred to a military checkpoint in this village located less than 35 kilometers south of Port-au-Prince.

Their entry proved impossible, however. On Sunday, the three journalists were still at a hotel in Jiman on the Dominican Republic border, some 50 kilometers south of Port-au-Prince, waiting for word from their colleagues in the Haitian capital.

According to Dominican immigration department sources and local authorities, this is the first time since President Jean Bertrand Aristide was deposed that the Haitian military has barred the entry of journalists who had already been authorized to enter the country.

"The Haitian military suspects that the journalists will write against Raoul Cedras," head of the coupist military, a Dominican immigration source said.

Gordon, who has visited Port-au-Prince on several occasions since Aristide was deposed, said: "Last week it was difficult to leave the Dominican Republic. For some reason, now it is the Haitians who are difficult."

The United Nations recently approved a U.S.-headed multinational invasion against Haiti to evict the coupists. The United Nations, however, did not mention a date for the operation.

Jamaica

Further on Arrival of Cuban Refugees

FL1508203294 Castries HTS Caribvision Television in English 1945 GMT 15 Aug 94

[From the "Caribbean Evening News" program]

[Text] Another group of Cuban refugees has arrived on Jamaican shores. A total of 23 Cubans, comprising 16 males, five females, and two female juveniles, landed in a 20-meter fishing boat on the Half Moon Beach, in Montego Bay, on the weekend. Police report that three of the Cubans were preparing for a fishing trip and were reportedly armed with guns and knives. Two of the Cubans have requested that they be returned to Cuba, while the others say they want to go to the United States. This is the second group of Cubans to arrive in Jamaica within one month. On 12 July, nine Cubans were picked up by a Belize-registered vessel after their boat capsized. They applied for political asylum in Jamaica. The number of Cubans fleeing the country in boats and rafts has increased steadily in the past two weeks, since Cuban President Fidel Castro threatened to open Cuba's ports to anyone who wants to leave.

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Protesters March Against Democratic Convention Resolutions

PA1408041394 Mexico City LA JORNADA in Spanish 11 Aug 94 p 15

[Report by Elio Enriquez, Roberto Garduno, and Jose Gil]

[Text] Tuxtla Gutierrez, Chiapas, 10 Aug—Almost 2,000 people, wearing white clothing to evoke peace and the defense of the law and Constitution, marched against the resolutions reached at the National Democratic Convention (CND). They called on the people of Chiapas to vote on 21 August "for the candidate they believe to be the best political option."

Cattle breeders, small farm owners, merchants, professionals, housewives, and members of the Coalition of Citizens and Organizations of Chiapas (COCCH) shouted slogans against the armed uprising in Los Altos. They called themselves "victims" of the invasion of 100,000 hectares by the State Council of Indian and Peasant Organizations (CEOIC).

The delegations left the fountains of Huitepec and Mactumactza at approximately 1700, marching east to west. They converged an hour later on Civic Square, where several speakers spoke out in favor of peace. Among the speakers were Jose Ruben Cruz Aguilera and Jorge Constantino Kanter, the leader of Chiapas State cattlemen.

They also urged the people of Chiapas "to awaken from the dormant state in which they are living and shed their apathy." They called on them to join in the search for a "new society," which demands peace through peaceful means and which can only be achieved at the polls.

Constantino Kanter renewed his demands against the state, because "the small owners are the most affected of all by the armed conflict. We no longer have our lands; groups or squatters have them, and nothing has been done about it. There are 800 small land owners who have been waiting for a month and a half, and there is still no answer. We will not move unless we get our lands back."

The Altamirano cattle grower illustrated his apprehensions, in an annoyed tone of voice, by recalling the last takeover had occurred in the municipality of Jaltenango La Paz, where a group of armed "natives" proceeded to takeover a farm known as Liquidamba, and "the authorities have done nothing to evict them."

Despite his tone, Jorge Constantino urged his fellow citizens to vote on 21 August for whichever candidate represents "the best option to the municipality." He also announced on 11 August he will request the State Electoral Institute set up a voting booth in the Civic Square where the small property owners have been staging a sit-down since 24 June to allow the 800 strikers gathered there to vote.

Some participants expressed their hopes during the peace rally organized by the COCCH in the center of Tuxtla Gutierrez that "the 21 August results will be respected and that there will be some type of guarantee the PRI will not carry out any fraud."

Jose Ruben Cruz Aguilar said, however, the COCCH is working for peace, reconciliation, democracy, and justice, but "we reject violence as a solution to social demands."

Election Poll Puts PRI's Zedillo in Lead

PA1408045094 Mexico City LA JORNADA in Spanish 10 Aug 94 p 7

[Report by Jesus Aranda, David Aponte, and Georgina Saldierna]

[Text] The University of Guadalajara Opinion Studies Center (CEO) has publicized the results of its third poll on electoral preferences. Ernesto Zedillo, Institutional Revolutionary Party [PRI] presidential candidate, leads with 36 percent of the votes, followed by Diego Fernandez de Cevallos, National Action Party [PAN] presidential candidate, who garnered 25 percent of the votes, and Cuauhtemoc Cardenas, Party of the Democratic Revolution [PRD] presidential candidate, who garnered 12 percent of the votes.

Meanwhile, U.S. political expert Seymour Martin Lipset, former president of the World Association for the Investigation of Public Opinion (AMIOP), has said the PRD could obtain a winning margin in the 21 August presidential elections if the total number of voters exceeds 70 percent of the voting population.

CEO Director Cesar Augusto Morones Servin said during a news conference the politically independent sampling—10 enterprises from the university itself paid for it—indicates the statistical opinion of 35 percent; that is, 7,040 people in 19 cities of the country. Morones said half the interviewees expressed their mistrust with the Federal Electoral Institute (IFE), and 43 percent believe the 21 August elections will be honest.

He said that the poll results are a "snapshot" of the electoral picture up to 6 August, the date the poll was held, and that the number of undecided reached 21 percent, which will have a decisive impact on the final results when added to what might happen before the elections are held.

Among the results obtained, Morones spotlighted the "strange" attitude of PAN candidate Diego Fernandez de Cevallos, who only received 25 percent in this last poll after obtaining a 33-percent preference following the May debate; in other words, Morones said his "strange" passivity following the debate with the other presidential candidates was influential in the nearly 8-percent reduction in citizen support.

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Ernesto Zedillo improved his percentage, however, by moving from 28 percent in the May poll to 36 percent in the poll held between 1 to 6 April [month as published]. Cardenas maintained a stable third place with 12 percent in both polls.

Morones spotlighted the fact the poll indicated 87.8 percent of the people claim to have their photo identification voting credential, and all of these stated they will vote in the presidential elections.

The PRI maintains an important advantage in 12 cities (Mexico City, Monterrey, Tijuana, Ciudad Juarez, Merida, Villahermosa, Culiacan, Chihuahua, Oaxaca, Veracruz, Torreon, and Puebla) of the 19 cities in which the poll was taken.

PAN leads in Guadalajara and Hermosillo, while there is a close race between the PAN and PRI in Leon and Tampico. The PRD does not head the list in any of these cities and is tied with the PRI and PAN in Morelia and Tapachula.

Likewise, Rafael Mezquita, director of para-university enterprises at Guadalajara University, stressed the fact that half the voters do not know yet where they will vote, and he emphasized the importance of the "undecided" vote, more than 21 percent, on the final result of the 21 August federal electoral process.

U.S. political expert Seymour Martin Lipset has said in the event of a 70-percent vote turnout on 21 August, the PRI could win.

Robert M. Worcester, president of Market and Opinion Research International (MORI), has countered the PRI would "win by a comfortable margin" if the voting turnout is between 40-50 percent.

Both U.S. specialists have said a low voter turnout will undoubtedly favor the PRI, and a high percentage will favor the opposition, specifically the PRD.

Dr. Lipset explained during a news conference a low turnout in U.S. elections tends to benefit the Republican Party, because their followers tend to be better educated and enjoy a higher socioeconomic status than the rest of the population. "I understand the probability in Mexico is similar," he said.

In fact, he prognosticated the turnout percentage in the 21 August federal elections will be between 50 to 55 percent, figures that are similar to U.S. elections.

Results would favor the ruling party in this context. The PRD would benefit only if there were a turnout close to 70 percent. The PRD is a party that has the country's poorest among its followers, Lipset has said.

Robert M. Worcester has said the PRI "would have a comfortable margin" with a 40-percent turnout; "it would win with 50 percent," and he does not know with 70 percent. "We believe the number of voters is fundamental to the election result," he has said.

Nevertheless, elections are still two weeks away. Many things can happen in the meantime, he added.

Lipset has said in this regard citizens do not speak the truth many times during polls. "They say many times out of fear they will support the ruling party but change their minds the next day."

The U.S. specialists are in Mexico to help in a national electoral preference poll that two Mexican media are conducting.

CND Decides Plan for Electoral Participation

PA1408155594 Mexico City LA JORNADA in Spanish 10 Aug 94 pp 1, 19

[Report by Roberto Garduno and Jose Gil Olmos]

[Text] Aguascalientes, Chiapas, 9 Aug—The participants in the first National Democratic Convention (CND), which was declared in permanent session, today decided to participate in the 21 August elections as part their struggle to ensure a peaceful democratic transition. They agreed to vote against the Institutional Revolutionary Party (PRI), to organize a nationwide civil disobedience movement after the elections, and, if there is fraud, to call a nationwide strike.

After four days of work in San Cristobal de las Casas and Aguascalientes, the CND plenum presented the resolutions of five working tables, which were approved in their entirety. Among the conclusions are the demand for a transition government after the 21 August elections, the establishment of a constituent assembly to draft a new political constitution, and the warning that a lack of democratic, honest, legal, impartial, and trustworthy elections could jeopardize peace.

The first working table suggested transforming the Mexican political system by eliminating the party of the state, turning the next elections into a broad, popular movement, voting against the PRI, requesting that any party be able to use the colors of the national flag, and that the winning candidate respect the CND demands, especially the establishment of a constituent assembly.

It also concluded that civilian society should monitor the elections and the transition government; called for a civilian society; requested a review of all international treaties; asked that candidates from civilian society be allowed to participate in the elections; called for the creation of local and regional parties; and said that civilian society should be recognized as a form of political representation, that Indian peoples should be given autonomy, and that all social groups should be welcomed at the Congress of the Union.

The first working table also called on the CND not to side with any political organization or candidate, requested that the Public Security National Coordinating Board and the Army not be present during the elections, and demanded equal participation for women.

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On this last point, it presented an official proposal that demands respect for the equal rights of women nationwide.

Table two dealt with the use of peaceful means to achieve democracy, in the elections, in civil disobedience, and to defend the people's will. It agreed that the struggle to achieve a democratic transition should include the electoral struggle and demanded that authorities and political organizations guarantee honest, free, and peaceful elections. It stated that the lack of those indispensable prerequisites jeopardizes peace and concluded that the struggle for democracy, liberty, and justice in Mexico does not begin or end with the election, which is only one aspect of democracy.

The following proposals were approved for implementation after 21 August:

In the event that fraud is committed, to conduct all types of peaceful movements and actions by organizing local, state, and national civil resistance; to strengthen grass-root participation; and to hold marches, meetings, bill payment strikes, power blackouts, and other measures. The possibility of a national civic strike was also considered.

To summon the second CND session through the collective presidency or a designated alternate. In due course, the CND should analyze the electoral results or speak out about them, agreeing on the required political measures.

To declare a permanent session of state conventions in order to properly respond to needs.

To open channels of citizen information on the elections and election results.

To establish relations of international solidarity with the CND.

Several agreements stand out: the demand that the Army pull out of Chiapas, the recognition of the EZLN as a belligerent force, the resolution of the Avendano case, promoting a network of women for democracy, and taking measures to learn the CND program's degree of social acceptance.

At table three, which dealt with the national project, the general agreements had to do with the implementation of a social system that would recognize the pluralism instilled by the diverse cultures and the equal participation of Indian peoples in the country's political life. This premise is based upon the following challenges:

Recognition of, respect for, and strengthening of regional autonomy.

The transition government must meet the needs of the minorities.

The ethnic groups must have their own representation at all levels of government.

The drafting of a new constitution.

The reorganization and restatement of the state-civilian society relations.

Of the 11 proposals to improve the conditions of the Zapatists, table three decided the following:

To give priority to the social benefit of holding a job; to meet, without exception, Mexicans' housing needs; to guarantee the population's unconditional access to health services; to give national priority to food production; to guarantee free education to promote freedom and solidarity; and to offer basic individual and collective freedom to advance in the other levels of social organization.

In addition, table three proposed freedom of and the right to access information; a new national project; to work on the various levels of coordination and integration attached to national sovereignty; and to make democracy a reality as Mexicans have effective channels of access that would ensure their participation at all levels of the decisionmaking process, something that could be guaranteed by a referendum and a plebiscite.

The more than 500 delegates at table four, which analyzed the attributes and policies of the government in transition toward democracy, agreed that the requirement of having a transition government is intended to end the state party.

They explained what a transition and provisional government would be. The former would be elected and would pave the way for true democratic progress that will achieve the drafting of a new constitution.

A transition government was defined as one that bases itself upon a "republican democracy" elected by most Mexicans and renewed periodically; a government in which individual rights are respected and in which public officials impede impunity.

Table Five, which dealt with the plan to summon a Constituent Congress, approved, in principle, the EZLN's initiative, which stressed the advisability of this congress as we approach democracy and as an essential requirement for holding the CND.

Industry Demands Participation in Program

PA1308034894 Mexico City EL FINANCIERO in Spanish 9 Aug 94 p 4

[Report by Isabel Becerril]

[Text] The industrial sector asked to participate in the drafting of the National Industrial Development Program. They affirmed that significant economic growth cannot be attained through higher taxes and that a technically perfect tax policy is impossible to carry out.

During a meeting with Ernesto Zedillo Ponce de Leon, presidential candidate for the Institutional Revolutionary Party [PRI], business figures from across the

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country demanded greater understanding and the lifting of certain obstacles impairing development.

They said implementing measures to create additional income for those who earn less is more important now than ever before. Furthermore, structuring policies and making the necessary legal reforms are essential for generating more competitive and modern manufacturing plants, and this process will in turn help companies grow and progress along new paths of regional development.

They affirmed industry requires a joint effort to overcome the problems they are facing; therefore, it cannot allow intervention to come from sectors that have no part in industrial activity.

Maria Teresa Kasunga, of Pierre Audine, addressed more than 1,000 business personalities present for the "National Dialogue Between the Industrial Sector and Ernesto Zedillo." She argued nine tax reforms were needed to reactivate economic growth.

The Nine Points:
1. Restore an atmosphere of trust by way of a positive fiscal policy, capable of generating savings and investment.
2. Lift the tax on fixed assets to stimulate business modernization.
3. Encourage quality and productivity by doing away with tariffs on equipment, machinery, and technology not produced locally. Those that favor environmental conservation should be given higher priority.
4. Improve progressiveness by applying a 10- or 15-percent income tax rate on incomes up to 330,000 pesos.
5. Include child education and personnel training as deductibles.
6. Examine the possibility of a substantial reduction of the VAT [value-added tax].
7. Fiscal interest rates and surcharges on back taxes should be adjusted to the current inflation rate.
8. Reinstate the use of the tax stamp for rendered services and informal economic activities, thus increasing the tax base and complementing public income.
9. Reduce the already excessive contributions paid to the Mexican Social Security Institute, the Retirement Savings System, the ISPT [expansion unknown], payroll fees, and revenue distribution.

She added the country's industrialists acknowledge the progress made in fiscal policy, but they believe certain provisions should be revisited, as they hamper the nation's economic growth.

The tax system, he said, constitutes one such obstacle, because it is still complicated and difficult to interpret. There are contradictions between requirements by the Finance and Public Credit Secretariat and the practices and resources of small companies.

He denounced the discriminatory fiscal treatment toward investments in the leading metropolitan areas. In addition, audit measures are excessive. Authorities should also consider high taxes promote evasion and discourage investments, among other problems.

For his part, Carlos Mireles Garcia, former president of the National Association of the Processing Industry (Canacintra), said in order to meet immediate current needs, it is necessary to formalize agreements that reestablish trust and to keep building, not destroying, what has been accomplished.

The industry, he said, requires mutual responsibility to overcome its problems, and that is why, he added, the intervention of officials unaware of the problems in the business sector cannot be accepted within the Industrial Development Program.

No Improvisation

He said the country's industrialists are not the result of improvisation or recent events, much less of the separation between the national and the international situations. "Economic, fiscal, financial, social, and political conditions affect us." Therefore, the effort of producers to obtain the tools needed to make companies more competitive make them increasingly dependent on their ability to adapt to changes, and integrated, productive networks must be acknowledged. The difficulties to achieve that goal must also be assessed.

Meanwhile, Luis Pino Cardena, who represented the industrialists of the southern area, Quintana Roo, Oaxaca, Chiapas, Puebla, Veracruz, Campeche, Guerrero, and Yucatan, said although the economic accomplishments obtained thus far are significant, much remains to be done, and efforts must be redoubled so the appropriate changes fully benefit all companies.

He said it is necessary to consolidate the operation of single transaction windows by broadening participation in the business sector regarding the organization and planning of activities that provide attention to the public, as well as by guaranteeing the appropriate operation of the offices in charge of information, complaints, and solutions.

Zaid on Negative Aspects of PRI Win

94CA0153A Mexico City REFORMA in Spanish 7 Aug 94 p 9A

[Commentary by Gabriel Zaid, political essayist: "If the PRI Wins"]

[Text] Since the explosions in Guadalajara and the assassination of Cardinal Posadas, so many disturbing episodes have taken place in Mexican politics that a PRI victory in the upcoming election might seem like a reassuring outcome because it is expected. But it would have unexpected effects. There is no return to normalcy inside the system anymore. It has become bogged down in the disturbing episodes that now constitute its "normalcy."

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The disturbances at the end of six-year terms have been mounting from term to term despite the efforts of successive presidents to relive the sort of happy finale that Adolfo Lopez Mateos still saw. There is a reason for the disturbances. In a system that concentrates total power in the presidency, conveying such power from one person to another represents something of a leap into an institutional and social vacuum (unlike, for example, a change in British prime minister). The vacuum used to be filled by a collective complicity to make sure that the leap was successful. The outgoing president did not foster uneasiness about the succession, since he wanted to go down in history as a statesman and pave the way for a successor who would protect his life, prestige, and wealth. The incoming president needed his predecessor's support and did not encourage his prosecution. Social discontent was channeled towards a new beginning. As far as society was concerned, the transfer of the presidency was a promising ritual of change, wiping the slate clean for miracles that it could look forward to. Deep down, the important thing about the conveyance of absolute power was precisely what is missing today: the renewal of society's faith.

The combination of a docile people and intelligent authorities can minimize the costs of social administration. The democratic processes of analysis, deliberation, decision-making, and implementation are expensive and do not necessarily yield better results (aside from the intrinsically valuable result of exercising democracy). Experience shows (in condominiums, for example) that in many things (in which one might be involved) it is practical to leave the job to others who have initiative and seem reasonably knowledgeable, efficient, and honest.

Things become complicated (and one is forced to step in) if the others turn out to be incompetent, dishonest, or derelict. It is that much worse when things turn out badly but are disguised as major successes that warrant fresh support, a free hand, blank checks, and contributions to pay for the damage. Leaving the job to those who impose this sort of vote leads naturally to the exercise of the other one. We must intervene, even if reluctantly: vote, remove from office, deliberate, decide, and implement. Democracy is inconvenient. Leaving the job to others, which can be so convenient, could boomerang and, in any event, it has its limits.

The majority of Mexicans will vote against PRI this time, because everything has a limit. The country has lost faith in the replacement every six years of the wonder-worker who arrives peddling miracles, who displays his good or bad track record as a miracle in its wrapping, and who leaves just when the people start unwrapping it. Most remarkably, society's faith has not been transferred to anyone, not even an opposition candidate. Oddly enough, society seems to be gaining faith in itself rather than placing it in candidates, parties, and political institutions. When has there ever been such a display of social initiatives, such liveliness, imagination, and involvement? We have moved from a tradition in which the ruling-party candidate was everything and society nothing to a situation in which society sees none of the candidates as ideal. For the present, society is better than the candidates. This tends to put the transfer of power in its proper place. A purported miracle-worker is not handing over his magic wand to another purported miracle-worker; rather, society is deciding which fellow citizen is the lesser evil to whom it should hand over power as its representative.

This is why even if PRI wins, absolute power will no longer be transferred. Absolute power can exist only in the sort of social context that is crumbling and that the ruling-party candidate (if he becomes president) will not be able to rebuild. Hence, the apparently conservative outcome (a PRI win) holds more dangers than if a different party were to take power.

If Fernandez de Cevallos or Cardenas were to take power, it would be clear to them, to the other parties, and to society at large from whom and under what conditions they were receiving it: a highly restricted power, not the power to do whatever they pleased in the absolutist tradition. If Zedillo were to win, he too would take office amid this new context, but it would not be clear to him, to the other parties, or to society. Owing to the source of his candidacy, the inertia of tradition, and the vested interests and because (despite his recent statements) he is the only candidate who has refused to sign the "Twenty Commitments to Democracy," he will likely try to do what is no longer possible, amid a brawl that will be destructive to the country, while it becomes clear that absolute power can no longer be restored.

Millions of Mexicans are fed up with the "principle of authority" according to which citizens can put before the authorities only the facts, decisions, and truths that the latter choose to accept. This technocratic principle, which is unhealthy even in technical matters (citizens can think what they like about the elevated railway or the overvalued peso, but we are the only ones who really know and will decide), becomes disastrous when it helps the underworld to exercise government power.

There must be a distinct difference between being a public official and being an arbitrary and irresponsible individual, a burglar, a blackmailer, a kidnapper, a rapist, a torturer, a murderer, or a drug trafficker. If such a distinction does not exist, then complaints must not come up against the "principle of authority." What is the difference between an assailant who says he is a Judicial Police agent and a Judicial Police agent who assaults someone? The lack of a distinction (epistemological, Pirandello-like) has political and electoral effects, because neither of the two says: "This is a holdup." He says: "We nabbed you with drugs, and I am the authority. You will not be let go unless you pay up." How can one be right vis-a-vis the authorities when arguments are of no use with someone holding a gun? If holding the gun means that you are right and if the authorities have a monopoly on the truth, then how can you believe them

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when they say that they have power not because they are holding the gun but because they won an impeccable election?

If PRI were to win the presidency in six years after having lost it once, the situation would be different than if it won this time, having never lost. A democracy without the possibility of another party taking power is plainly and simply not credible. If a judge accused of bribery is alone responsible for deciding his own case and if he finds himself guilty, then there can be no doubt about either the verdict or the charge. But if he acquits himself, how can anyone know that he was acting properly? It is very difficult to believe the authorities when admitting the truth would cost them power, money, and careers. In order to have credible authorities it is not enough for them to declare: We remain in power because we continue to win the elections, in which we are doing better and better.

After so many years in which society's trust has been abused and now that the political capital that renewed society's faith each six years (less and less, though) has been lost, a possible PRI victory would only prolong the political deterioration. In this new context society's faith can no longer be renewed just by changing the head of the system; it requires a change of system. Remaining stubbornly in power, without moral authority, is not going to be good either for PRI or for society.

Pre-Election Political Conditions Viewed

94CA0152A Mexico City REFORMA in Spanish 7 Aug 94 p 7A

[Commentary by Miguel Angel Granados Chapa, journalist and member of the Federal Electoral Institute's General Council: "Two Promises and a Threat"]

[Text] We are faced with the promise of two roads towards a new Mexico or a Mexico in the process of rebuilding and with the threat of a third road if the two others are blocked off, a promise and a threat that are disturbingly imminent. The elections for the Executive and Legislative branches will be held on 21 August, but it will not be just another routine vote. Rather, it may mark the beginning of a new political relationship among citizens and between the citizenry and government. Two weeks before, between the sixth and the ninth of this month, the National Democratic Convention will stage a major social mobilization. The organizers of this event, which parallels the election, want it to go beyond the formal frameworks of the parties, without interfering with them but not without questioning them.

These are the promises. The threat is civil war, or the stage preceding it, a breakdown arising from ungovernability.

Perhaps such talk smacks of hyperbole, of yellow journalism, of a desire for a self-fulfilling prophecy. To judge by the evidence, however, it is a real, not a remote, possibility that we cannot refuse to examine.

The election may be the best way to solve the problems of Mexico's political system. But there is no guarantee of this. In this arena we are moving amid ambiguities, which is what I think they should be called if we view them as the result of fundamental political indecision, lest we pessimistically assume that they are mere deceptions or pretenses.

Shortly after 6 July 1988, President Salinas made an announcement similar to Diaz's when he said that Mexico was ripe for democracy. He said that the era of the almost single party was over. He created enormous expectations that he would behave in a manner consistent with his conviction, in other words, that he would promote the transition to a system of real competition among parties. He did not. Today we have moved closer to one, not as the result of a clear-cut government decision but instead owing to the growing force of social needs seeking to be met.

Three reforms of electoral legislation, in 1990, 1993, and 1994, have made sweeping changes in the electoral system. It would not be fair to downplay their importance, but they should not be oversold either. Taken at face value (and leaving aside for the moment their application, which creates other kinds of problems), they have given rise to complicated legislation with more than a few contradictions and sources of confusion. For instance, consider the taking over by ordinary citizens of the main electoral body. This clearly illustrates the timidity with which lawmakers proceeded or the inadequacy of the negotiations between the main political forces. The parties lost their vote on the general, local, and district councils, and the bulk of the decision-making now presumably falls to the citizen councilmen, six at each of the aforementioned levels. But the government has reserved the real power for itself on the general council. Although this council consists of 20 members (nine nonvoting representatives of as many parties and 11 voting councilmen), 19 of them still do not constitute a quorum unless the chairman, who is the interior secretary, the representative of the Executive Branch, is present. Ten of the 11 councilmen may be in attendance, but to no avail unless the quorum maker, the majority of one, is there. The six citizen councilmen, who could control decision-making if they vote together, cannot, however, ask the chairman to call special sessions (a power that the parties had and lost); they cannot even legally help to draft the agenda at each session. It is another matter that the council chairman has currently decided not to use his exclusive powers. What I am arguing is that the law did not complete the citizen takeover of the council.

Such ambiguities are even more in evidence if the letter of the law is compared to actual practice. There is now legislation governing party financing and ceilings on campaign spending. This is one of the minimum requirements for equitable participation. But formal legal requirements take a back seat to a real world that is reluctant to change. First, the ceiling has been set high; in

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practice, such permissiveness represents legal protection for the wealthiest party, which is the ruling party. One-hundred and thirty-five million new pesos, more than $40 million, the most that a presidential candidate can spend, is an unimaginably large amount for parties such as the Mexican Democratic Party, whose meager public financing is hardly boosted by donations from its impoverished activists. In contrast, PRI can be lavish with its outlays.

Even if it were completely true that the channels through which government money flowed surreptitiously to the ruling party have been closed, social conditions that give it an edge are strongly in place. In contrast to the vicious circle of poverty, which Ragnar Nurkse described by saying that a country is poor because it is poor, PRI has a virtuous circle going for it, whereby a party is in power because it is in power. For example, not even the National Action Party (PAN) has as much business support as PRI. Although the stereotype of PAN is that it is a "party of bankers" and although a recent poll by the magazine EXPANSION indicates that businessmen are leaning towards Diego Fernandez de Cevallos, the fact is that the contributions of businessmen go first and foremost to PRI, as a reward for policies that benefit them and to make sure that such policies continue.

The PRI finance secretary, Oscar Espinosa Villarreal, has noted that businessmen have contributed as much as 67 million new pesos to his party's campaigns. We can add to this, as background information on who these businessmen are, that the president of PRI's business groups is also the president of the country's main construction firm, ICA, Gilberto Borja, and that private business leaders Juan Sanchez Navarro and Antonio Madero, prominent members of the powerful Mexican Council of Businessmen, chair the finance committees of PRI's senatorial candidates in the Federal District. No one, of course, would deny these personages either their own standing or their right to support whichever candidate they prefer. Only their public actions are not insignificant, as those of an ordinary citizen would be.

Add to this information illustrating the current unfair competition among parties the fact that perhaps Espinosa Villarreal's fund-raising ability among businessmen stems from his having been director general of Nacional Financiera, a privileged meeting place for the government and the private sector, before he was appointed PRI's treasurer.

We also find examples of the government party's edge in organized labor. Perhaps it is nothing more than an anecdote, but no one will deny the spectacular fashion in which Hebraicaz Vazquez denounced the illegitimate support that the oil union gives PRI. In displaying the 30,000 new pesos that the dissident petroleum workers' leader said was a bribe to keep him quiet, he recalled that the corporatist columns on which PRI power rests remain strong even though they have been unmasked somewhat. There is nothing to stop the members of a labor group from joining and supporting whatever party they like, but the long-standing organizational link between the labor movement (no matter how far we judge it to have come down in the world) and the government party is one of the realities that lend it strength, under conditions that are inaccessible to the rest of the parties.

Although we have already taken up too much space citing examples of the obstacles to party competition, it is not improper for us to devote special attention to the electoral promise that goes beyond the expectations of a social mobilization represented by the National Democratic Convention and beyond the threat of a civil war. Defects, ambiguities, inadequacies, and even cheating aside, there is no more viable road to change than the ballot box. One of the advantages is that everyone can vote, whereas a convention, at least its first stage, is limited and could be clannish.

Indeed, save for certain guests, the convention will be a redundant exercise in preaching to the choir. I am not trying to downplay the importance of this event, but as far as we can tell, it is not truly national in breadth. A combination of civic and social groupings that are reluctant to see themselves confined to work within the parties could, however, blaze a new trial for action by part of society. The convictions about a new constitution, and about the congress that would draft it, may not belong only to the convention delegates and could be found in other realms of public life, but implementing them means that the convention delegates have to take the electoral route. To put it differently, even the social mobilization proposed by the Zapatists must be channeled through elections and expressed in the form of commitments by presidential candidates who attach importance to such an initiative. Unless it is processed in this way or unless it puts pressure on whatever government emerges from the elections, the aforementioned mobilization will be on the horns of a dilemma. Either it becomes a short-lived swarm of groups without an agenda or it reinforces the tendency towards armed action.

The threat that such action may meet with success, militarily and politically, cannot be made light of. Although in its second declaration from the Lacandon Jungle the Zapatist National Liberation Army gave the electoral route one last chance and paved the way for a grass-roots mobilization, it also issued an ultimatum. Deputy Commander Marcos has insisted on subsequent occasions that clean elections are a prerequisite for peace. And we have to assume that he is not talking about the legal standards for clean elections but about the ones that Zapatism would like to put forth. There are several signs that this is not just bluster. The first is the fact of the group's survival. They declared war and were not just not outlawed but are even boasting of their rallying power. Moreover, although government circles consistently deny them, there are growing signs that armed groups have proliferated. Some are being called gangs of gunmen, since it it impossible to cover up their

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movements and actions. But they exist. And although we have not heard about a unified command, not even a symbolic one, the fact is that such scattered actions would not prevent a state of war from developing, and those who share the frustration of an election that does not supply the civilizing results that it may produce in spite of everything would not necessarily remain outside it.

While declining to be hostage to an armed group that has set itself up as the watchdog of clean elections, we must insist on an honest vote. The latitude for civic action has broadened, and although it will be difficult to make full use of it, incorporating such civic action into the elections may prove fruitful. Consider, for example, the monitoring of the vote. It would make no sense to think of it as having magical powers, as if keeping a watchful eye on electoral procedures would automatically lead to an honest vote. On the contrary, it would not be surprising if this first appearance of observers with legal powers in federal elections turns out to be counterproductive in some ways, because they could become a new source of electoral frictions. But just shedding light on areas that have been kept from public view will identify and even prevent fraud, whether long-standing or new, isolated or systemic, archaic or high-tech. And since what happens on election day is not all that must be carefully monitored, observing the workings of the electoral bodies before and after 21 August could improve the process and lead to an outcome in which serenity prevails.

Midway between a result that all readily accept and civil war is the possibility that the country will become ungovernable, without an armed conflict and perhaps even without violence but in a way that disrupts society. We must ward this off with as much strength as we exorcise civil war. In this attempt it will help to persuade ourselves, not out of mere acquiescence but instead after a careful look at the facts, that no matter which party wins the presidential election, the chief executive will no longer possess the inordinate powers that have distorted and corrupted this basic institution of the republic.

To achieve this goal it will not even be necessary to amend the law, much less draft the new constitution that many of us consider essential. What is more, a transition in this regard will not even require that parties other than the one that wins the presidential election have a majority in the houses of Congress. Only pathological bewilderment would prevent the new president of the republic from sharing the view that dominates the nation today, that we must return to the basic idea of democracy: government officials are nothing more than ordinary citizens temporarily endowed with authority that they must use to serve social interests.

Roundup of Economic Developments

PA1608014694

[Editorial Report] The following is a compilation of reports on economic developments monitored through 15 August.

According to Chiapas-based producers, the investment of 5 billion new pesos in Chiapas, as announced by the Commerce and Industrial Development Secretariat, will open new possibilities for all productive sectors. (Mexico City XEW Television Network in Spanish 0430 GMT 5 Aug 94)

National Foreign Trade Bank (BANCOMEXT) Director Enrique Vilatela Riba has reported that exports have not decreased and that BANCOMEXT has not stopped granting loans for feasible foreign trade projects, despite the country's prevailing political climate and uncertainty. During the first half of the year, BANCOMEXT channeled $7 billion toward supporting foreign trade. This figure represents 45 percent of the bank's financial program for 1994, which totals close to $18 billion. (Mexico City EL FINANCIERO in Spanish 7 Aug 94 p 9)

Mexico City's National Chamber of Commerce has reported that the unemployment rate in the first half of the year was the highest in the past six years. The chamber added that the purchasing power of the minimum wage in Mexico City dropped 35 percent in the same period. (Mexico City LA JORNADA in Spanish 8 Aug 94 p 49)

According to the balance sheets of the Mexican Stock Exchange, 135 of the 200 firms active in the stock market lost a total of 6.108 billion new pesos—close to $1.8 billion—during the first half of 1994. This figure represents 68 percent of the total losses experienced in exchange operations and is 1,700 percent greater than the losses reported in the first half of 1993, which amounted to 361,000 new pesos or $111,000. The higher losses have been attributed to the devaluation of the Mexican peso, higher interest rates, and a continued depressed domestic market. (Mexico City EL FINANCIERO in Spanish 8 Aug 94 p 5)

The leverage of Mexican corporations has increased to such an extent that they are facing a liquidity crisis. According to the Mexican Stock Exchange, the 123 corporations that participate in exchange operations owe 41 centavos for every peso of their assets. In addition, 58 percent of the total indebtedness is foreign-based. According to official reports, corporate capital profitability dropped from 12.6 percent to 10.8 percent in the past year as the result of a depressed and highly competitive domestic market and high financial costs. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 2 Aug 94 p 3A)

The Agriculture and Hydraulic Resources Secretariat has reported that, to date, Procampo (Program of Direct Support to the Countryside) has issued checks for 81.07 million new pesos. The funds, which correspond to the 1994 spring-summer season, are designed to help 85,000 new producers who work 231,635 hectares in Chiapas state's 111 municipalities. (Mexico City UNOMASUNO in Spanish 8 Aug 94 p 6)

The Secretariat for Energy, Mines, and Parastate Industry reported on 8 August that, within the current six-year

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period, Mexican Petroleum (PEMEX) reduced operational costs by 29 percent and that this reduction was possible because of the corporation's reorganization, which has made it one of the most efficient and competitive enterprises in the industry. This year, PEMEX will invest more than $3 billion in several projects, including building an oil desulfurization plant in Tula, Hidalgo State. The facility is part of an environmental project, building 18 plants that are designed to produce cleaner fuel. (Mexico City LA JORNADA in Spanish 9 Aug 94 p 44)

According to an EL FINANCIERO investigation, most of the loans granted by commercial banks in the past four years cannot be repaid by Mexican enterprises. For this reason, commercial banks and Nafin (National Finance Bank, Inc.) have come up with a zero-coupon bonds scheme. This, however, does not necessarily entail a reduction of the Mexican productive sector's indebtedness. This situation will increase the amount of overdue portions of bank loans and require additional capital. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 3 Aug 94 p 3A)

Jaime Serra Puche, secretary for commerce and industrial development, has reported that so far under the Salinas de Gortari administration the number of assembly plants has increased 38 percent, the number of jobs in the assembly plant industry increased 48 percent, and exports increased 44 percent. (Mexico City UNOMASUNO in Spanish 10 Aug 94 p 18)

Pedro Aspe Armella, secretary for finance and public credit, has reported that the country's public foreign debt amounts to $75 billion, domestic public debt amounts to approximately 120 billion new pesos, and both debts together represent 22 percent of the GNP. Aspe also said the country's treasury is losing $1 billion a year because of corrupt customs officials. No additional economic adjustments will be implemented to correct Mexico's rate of inflation and make it comparable to that of more developed countries, because the current reforms will attain this as the result of their natural momentum, he said. Finally, he noted that some of the enterprises sold by the government are poorly managed and will experience losses, while others will go bankrupt. (Mexico City UNOMASUNO in Spanish 10 Aug 94 pp 1, 21)

The Finance and Public Credit Secretariat, the Agriculture Secretariat, the National Rural Credit Bank (BANRURAL), and the Permanent Agrarian Congress have agreed in principle on the creation of an interagency commission to handle the overdue portion of the farm debt. BANRURAL reports that loans for 4.662 billion new pesos can be refinanced, but it is impossible to refinance the loans granted to 71,163 farmers amounting to 2.202 billion new pesos. (Mexico City LA JORNADA in Spanish 10 Aug 94 pp 60, 48)

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Guatemala

FRG Takes Lead in Legislative Elections

PA1508171294 Panama City ACAN in Spanish 0933 GMT 15 Aug 94

[Text] Guatemala City, 15 Aug (ACAN-EFE)—High voter absenteeism, which according to the partial vote count totals 78 percent, was the big winner in Sunday's legislative elections in Guatemala, during which two right-wing parties benefited by those Guatemalans who decided to vote.

With nearly 47 percent of the votes already counted, the Guatemalan Republican Front (FRG) has received 25.2 percent of the votes and taken the lead away from the also conservative National Vanguard Party (PAN), which has received 17.1 percent.

After the initial announcement of the results establishing a 78 percent absenteeism rate and reversing the lead held by the PAN when the tally began, the Supreme Electoral Tribunal (TSE) announced during the early morning hours that the vote count would be suspended for a few hours.

According to provisional results, the Guatemalan Christian Democracy (DCG), and the Union of National Center (UCN), both of which controlled the previous legislature, fell to third and fourth, with 12.2 and 10 percent respectively.

The figures released refer to votes from the so-called "national roster," from which 16 of the 80 deputies are elected.

Results from 12 of the country's 22 departments included in a second roster, the district, have been partially tallied, indicating trends similar to the first roster, although results still have to be totalled.

In the Guatemala City department, the largest electoral district with nearly 1 million of the 3.4 million registered voters summoned to vote, the FRG was ahead by 4,844 votes, as opposed to 3,222 by the PAN, 781 by the DCG, and 760 by the UCN.

TSE President Mario Guerra Roldan pointed out that so far, 2,800 voting tables had been processed and recalled that a double ballot vote count system involving 18 parties and several seat assignment procedures "is not simple."

Guerra indicated to ACAN-EFE that the final results related to the 80 deputies's seats will not be known until next Wednesday.

The new congressmen will begin their session in September and will be responsible for appointing a commission to select a new Supreme Court of Justice.

This will mark the completion of the purge process initiated in both institutions, which President Ramiro de Leon embarked on when he was sworn in, in June 1993, following the failed "self coup" by Jorge Serrano.

To carry out last Sunday's elections, which were rescheduled from a later date following a power struggle between the president and congress, there was need to first reform the Constitution in a referendum that took place on 30 January and in which voter absenteeism reached 84 percent.

The country's political parties reacted with concern to the repeat in the absenteeism phenomenon during the legislative elections, which took place without any significant incidents despite the armed conflict the country has been going through since 1960.

Several deputies seeking re-election pointed out to ACAN-EFE that the low voter turnout is evidence of the population's lack of interest in issues involving Congress, which is perceived as a discredited institution.

Cesar Porres, from the Solidarity Action Movement (MAS) stated that absenteeism is the result of the "political war" brought upon by the president's zeal to cleanse Congress and the Supreme Court of Justice.

Nevertheless, during the election, de Leon praised the normal manner in which the elections had taken place and stressed that what is important "are the results," as well as the strenghtening of democracy.

Attorney General Acisclo Valladares stated that "the low voter turnout will be a reminder for the new deputies," and reflects the population's weariness and disillusionment."

On the other hand, Fernando Linares from the UCN believes that absenteeism is a reflection of the political parties' inability to offer initiatives "capable of convincing the Guatemalan people to step out of their homes."

Jose Luis Chea, candidate for the Democratic Union (UD, socialist) also criticized "the political inadequacy" of the proposals. PAN candidate Carlos Garcia Regas was not surprised by the low voter turnout and believes that it is "natural" for the people to want to get even with the political leadership.

Neverthless, FRG Deputy Juan Francisco Reyes expressed his optimism and pointed out these elections cannot be compared to general elections. He also indicated that during the 1990 elections, there was only a 40 percent voter turnout.

This coming Wednesday, the TSE will be releasing the names of the deputies elected to the new Congress, which in addition to its other duties, will have to legislate on the peace agreement commitments the government will negotiate with the Guatemalan National Revolutionary Unity (URNG).

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FRG Wins With 32.5 Percent of Votes

PA1508234894 Paris AFP in Spanish 2118 GMT 15 Aug 94

[Text] Guatemala City, 15 Aug (AFP)—The rightist Guatemalan Republican Front (FRG), the party of retired General Efrain Rios Montt, has garnered 32.5 percent of the votes, thus becoming the winner in the 14 August elections in Guatemala, according to spokespersons for the Supreme Electoral Tribunal (TSE) after 96 percent of the polling stations have been accounted for.

The TSE told reporters 78.85 percent of the registered voters abstained from voting, because less than 800,000 out of 3.4 million voters cast their votes.

These are the results obtained by the principal parties:

Political Party	Votes Received	Percentage of Votes
Guatemalan Republican Front (FRG)	202,487	32.5
National Vanguard Party (PAN)—rightist	158,569	25
Guatemalan Christian Democracy (DCG)—center right	73,673	12.79
Union of National Center (UCN)—center right	54,541	8.75
Solidarity Action Movement (MAS)	19,954votes	3.20

Projections indicate the FRG may obtain between 25 and 29 deputies; PAN between 18 and 22; and the remainder a smaller number of deputies, until completion of the 80 slots for deputies of the new legislative branch, which will be inaugurated on 14 September for a 16-month term.

President De Leon Lauds Elections

PA1608051494 Guatemala City Radio and Television Networks in Spanish 0400 GMT 16 Aug 94

[Speech by President Ramiro de Leon Carpio; place not given—live]

[Text] Guatemalans: We have taken another significant and unprecedented step in the history of Guatemala, a step which permits the consolidation of our democratic process. Guatemala is continuing its efforts to advance in the transformation of its society.

The people of Guatemala—a people who have suffered, are tolerant, and, when need be, are brave and firm—have demonstrated their genuine sovereign position by participating in the civic celebration the elections for a new Congress represented. The people have demonstrated that they want to leave behind the sad pages of our history—the days of disarray in the state institutions and the days of confrontation and bloodshed. The people have demonstrated that they oppose corruption and terrorism as a means to intimidate. They have paved the way for a phase of rebuilding through peaceful means, thereby respecting the nation's institutional and legal framework. In this case, they have done so through the most powerful weapon at the disposal of democracy—the vote.

We are paving the way. For the first time ever, the Guatemalan people have been able to purge two state organizations, and what is most important is the way in which this has been done. We must remain aware that we must reorganize the state to confront the economic and social problems facing the country. This must be done within the framework of the consolidation of the democratic process.

For this reason, and as representative of national unity and with the support of the Guatemalan people, I decided to request a purge of the legislative and judicial branches, because they had become eminently political. This decision was based on fundamental principles established in the Constitution of the Republic and in light of the need to restore the people's faith in state institutions. Today I feel proud to be part of this change.

We had problems because there are groups that under the umbrella of these institutions have enjoyed privileges that allowed them to act with impunity and corruption instead of abiding by the law. We must remember that this process began with a public request I made for a purge on 14 August 1993. In the beginning, the request for a referendum was blocked, but later it was approved. The referendum was held in January, and the people voted for changes to the Constitution that allowed the 14 August 1994 elections to choose a new Congress.

However, despite all of the obstacles we encountered, we continued to make every effort based on the legal and sovereign rights of the people. We must stress that the general principles of the law, the Constitution, and democracy will never restrict or constrain the people's right to sovereignty. The right to sovereignty was expressed by the Guatemalan people through their participation and in the mandate their vote represents.

We chose the most difficult path. We chose the difficult path of the law, of total and absolute respect for the Constitution. This is of great importance and can only be measured in its historic results. Never again will the Constitution be violated, because the people have proven able to defend it with pride and honor. The people, knowledgeable of their duty, have employed the vote. Also, for the first time, this was done without government pressure to have the people support its choice, because the president, vice president, and the government in general are not members of a political party.

The people voted according to their own conscience, and, in turn, no one will be able to oppose or cheapen their decision.

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This attitude is one of a government that respects the law, but it is important to point out that this process demands not only changes but structural reforms that can allow us to consolidate the democratic process. We have to strengthen the organizations and institutions leading to the reorganization of the political parties. That is now the great commitment of the new Congress elected by the Guatemalan people, who have acquired a greater awareness as citizens and who will continue to acquire more each day.

We have won greater chances for participation, and the Guatemalan people have shown they have had enough of impunity and corruption.

At the conclusion of this stage, I must note that we are now facing a different situation. We have a country that is seeking peace and is working to achieve it. It cannot open the way for confrontation. All popular and state organizations must engage in a joint effort. We must leave private and special interests behind us. We must strive to achieve national objectives, while bearing in mind that we must work not for a state administration's agenda but, rather, for a national agenda.

We are clear that the reorganization of state institutions cannot simply be achieved via a changeover of people. We have to promote a transformation in our society by changing its structure. The real meaning of these elections is that we must abide by the sovereign power of the Guatemalan people, who delegated this power in order that it can be exercised for the benefit of national interests, and this gives greater legitimacy and truer representation to the new Congress.

Finally, I wish to recognize the work done by the Supreme Electoral Tribunal and other authorities who played an outstanding role by acting with complete honesty and determination, as they have done on previous occasions. This contributed to the positive development of these special elections.

Guatemalans have gone out and voted. More than a legal act, this has displayed a commitment by a people who deserve to trust and believe in all branches of their government. We must not disappoint the voters' confidence by showing that common interests and national stability must prevail over personal interests to achieve the peace and democracy we have sought so much and which our country needs.

Thank you very much and good night.

URNG Communique Denies Legitimacy of Election, New Congress

PA1408163794 Guatemala City PRENSA LIBRE in Spanish 12 Aug 94 p 31

["Declaration" issued by the Guatemalan National Revolutionary Unity, URNG, General Command on 10 August; place not given; paid advertisement; "ONCE AGAIN: MOCKERY AND IMPOSITION DISGUISED AS DEMOCRACY": PRENSA LIBRE headline]

[Text] On Sunday, 14 August, new elections for Congress deputies will be held. The ritual of formal democratic measures will once again serve to mock popular will and question the legitimacy that state organizations should have.

These elections are the result of an opprobrious arrangement between the executive and legislative branches—elections that were deemed illegitimate due to the highest abstention rate ever recorded and the rejection of the 30 January referendum. These elections are a step backward and an enormous risk to the process of democracy and peace with justice that is necessary, essential, and urgently required in our country.

From an institutional and political point of view, the 14 August elections are not the solution to the current crisis. The crisis continues. It will necessarily become worse and more profound and will be expressed in different manners.

What is serious and alarming is that the political project concealed in these elections is being implemented. The institutional aspect is not the most important thing in this case and at this historic moment.

The powerful, obscure interests that generated the institutional crisis and made room for a takeover of the legislative branch are the real problem and will be in dispute in the next Congress.

A recalcitrant and obscurantist rightist sector emerges with publicity to take advantage of the intentionally created political vacuum. It represents the interests of the insatiable cliques, is concerned only with defending their privileges and increasing their benefits, and is allied to a sector of the Army.

General Rios Montt at the head of the FRG [Guatemalan Republican Front] and Alvaro Arzu at the head of the PAN [National Vanguard Party] personify and express those interests. They will attempt to dominate a congress that will promote in the next 15 months—thanks to this electoral scheme and its results—the privatization, to their benefit, of what little riches remain in the country. They will continue to block the democratization process and, as they have already asserted, will oppose everything that can be achieved in the peace and negotiation process that means change and progress.

Through the innocuous and contradictory constitutional reforms approved in January of this year, they have established a theft mechanism that is contrary to the interests of the country and the people of Guatemala.

With utmost cynicism, the bloodiest and most voracious oppressors in contemporary history attempt to be the representatives of the citizens by manipulating small electoral minorities without any representation.

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In setting forth a great popular rejection that denies the legitimacy of the new Congress in advance, we begin a new phase of great risk for democracy and peace in Guatemala.

We must be on the lookout and ready to confront those recalcitrant sectors in these elections to stop them from carrying out their plans and intentions.

URNG General Command

10 August 1994

Government Responds to Declaration

PA1408210294 Guatemala City PRENSA LIBRE in Spanish 12 Aug 94 p 31

[Communique issued by the Guatemalan Government in response to a Declaration by the URNG General Command in Guatemala City on 8 August]

[Text] The Guatemalan Government, responding to a 4 August paid advertisement by the URNG [Guatemalan National Revolutionary Unity], does not intend to spend time making explanations to refute misstatements and inaccuracies which not only fail to deceive anyone but which offend Guatemalan society, whose only doubt about the peace negotiation is related to the URNG's willingness to attain peace. If the URNG wants to contribute more credibility and viability to the negotiating process, it must suspend terrorist activities, massive weapons purchases and trafficking, and clandestine operations aimed at spreading insurgent activities into urban areas.

The Framework Agreement and the Agenda Agreement constitute the parameters of the negotiation and subordinate both sides to their format and timetable. The moderator summons the parties according to the agenda, and both sides cooperate and negotiate within established procedures. These guidelines have been agreed upon, and one side cannot alter them capriciously, least of all pretend to do it by usurping the mission of verifying compliance with the Overall Human Rights Agreement and in so doing manipulate, distort, and falsify it, taking its provisions out of context.

We are all aware of the truth and are willing to seek formulas to help them overcome the internal difficulties prompted by the military defeat, the fall of communism, the end of the Cold War, and, most of all, the democratic process taking place in the country, which, although in need of consolidation, is irreversible and has no room for worn-out Marxist warriors who still exert some influence over the URNG leadership. As for them, it is either time to persuade them or to put them aside, but not to allow more opportunities for blocking the negotiations.

There are no situations or events inside or outside the country that would allow a retreat or favor an armed option. The Guatemalan people have already proven that they defend democracy and will only allow its advancement.

We urge the URNG to accept that their incorporation into legality, through negotiation, is the only viable path toward opportunities for participation in building a new Guatemala in democracy, peace, development, and well-being . As long as they do not, they have no right whatsoever to summon Guatemalan society.

Guatemalans and the international community are fully aware of the government's firm decision to negotiate seriously and determinedly to secure peace agreements within the established timeframe. Nationals and foreigners are aware of the willingness, peace, and flexibility shown by the Government Peace Commission, which has made it possible to secure agreements despite the maneuvers, stunts, and intransigence of the URNG, as evidenced in Oslo. Representatives of the friendly countries and Sweden can attest to this. Their presence and support prevented such attitudes on the part of the URNG from causing the failure of negotiations in Norway.

The faithful fulfillment of the overall human rights agreement must be verified through the mechanisms requested of the United Nations by both parties. The government has made oral and written requests that the UN secretary general expedite the necessary steps. The government has also offered its complete cooperation toward the prompt establishment of the mechanisms. Such mechanisms will demonstrate the falsity of the URNG's accusations regarding the nonfulfillment of the human rights agreement. It will demonstrate the efforts made and measures we have adopted to faithfully fulfill it. Also, it will clearly demonstrate the URNG's violations of the agreement with its acts of terrorism, sabotage, kidnappings, and blackmail. The government asks the URNG not to show disrespect for Guatemalans and the international community, especially friendly countries, by trying to deceive them, despicably manipulating the human rights agreement to create obstacles to the process.

It also invites the URNG to reconsider and fulfill the basic agreements within the established timeframe, exhausting the indigenous, socioeconomic, and agrarian topics in a single round of negotiations to be held as soon as possible in August. We ask the United Nations to convoke this round of negotiations immediately.

[Issued] Guatemala, 8 August 1994

President Rejects URNG Deadline

PA1308175994 Guatemala City SIGLO VEINTIUNO in Spanish 6 Aug 94 p 2

[Text] "The deadlines for each step of the peace process have been agreed upon by the two parties before the United Nations and are stipulated in an agreement that establishes definite dates for debating each issue. The

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two parties must respect that. There is no room for either party to impose a deadline on the other."

President Ramiro de Leon Carpio thus referred to the URNG [Guatemalan National Revolutionary Unity] decision to give the government one month of peace to comply with the Overall Human Rights Agreement signed in March by the two parties, an agreement which the URNG says the state has not respected.

If we were dealing with ultimatums, the government could establish a cease-fire deadline for the guerrillas, but since this is not the case, we are asking the United Nations to immediately send the international verification commission, de Leon Carpio said.

De Leon Carpio also said he will announce the names of the members of the Executors Commission next week. This commission will be in charge of keeping the government's human rights commitments, he added, stressing that his administration will comply with the agreement while it is waiting for the UN commission to arrive.

The president believes the URNG is acting superficially and shows inconsistency in its political resolve. As for the government, he says he is willing to comply with all agreements and schedules and to sign the peace accords this year.

Hector Rosada Granados, coordinator of the Guatemalan Government Peace Commission, agreed with the president that the guerrilla commanders do not have the right to set deadlines for anyone, much less when their arguments are so weak.

As far as we are concerned, the negotiations will continue because we have a signed commitment and we are going to keep it. If any problems should arise, we can discuss them face to face, Rosada said. Rosada interprets the URNG's ultimatum as a sign of weakness that is expressed by making excuses to justify certain types of actions.

"The negotiation procedure does not include making one stage conditional upon the demands of one of the two parties. The negotiations are bilateral, and if the URNG has any claim to make, it must channel it directly through the other negotiating party or through the United Nations," Rosada said.

"The URNG is dedicated around-the-clock to guerrilla activities and is unaware that this society has another dynamic force. The fact that they do not understand that an information campaign on human rights cannot be achieved overnight is definite proof that they are far removed from reality," the Copaz [Peace Commission] president said.

Lastly, Rosada and President de Leon Carpio said the government had decided to ask the United Nations to allow the debate on the implementation of international verification to take place in the UN General Assembly because that organization is more appropriate for that debate even though it will take longer than other channels.

President Defends Amnesty for FAR Rebels

PA1508162994 Guatemala City Televisiete Television in Spanish 0400 GMT 12 Aug 94

[From the "Channel 7 News" newscast]

[Text] President Ramiro de Leon Carpio said in a news conference that he will authorize the amnesty granted to four former guerrillas of the Rebel Armed Forces [FAR], who turned themselves in to the Army.

[Begin de Leon recording] The amnesty was granted based on what the amnesty decree states. We are not specifying whether they committed a crime yesterday, the day before yesterday, or before 1988. They were simply being judged on their participation and for the violations they may have committed at a certain time against the public order, the Constitution, and so on. That is contained in that amnesty decree. We believe all legal aspects were covered. I believe the appropriate authorities, the appropriate judge should have issued a stay of proceedings, and I believe this aspect should not be discussed again. Finally, I want to tell you that we held a meeting with them yesterday, the pictures and videos of which we can show you. Perhaps the most important thing was the ratification by the government and by the president, the commander-in-chief of the Army, that their lives be guaranteed. I make it public because my commitment is public. Their lives, the lives of these four persons are totally and absolutely guaranteed. Their five fundamental individual rights were guaranteed yesterday: their life, their physical integrity, their dignity, their security, and their freedom so that they can do whatever they wish to do. [end recording]

Court Annuls Amnesty Granted to 3 Ex-Rebels

PA1608030694 Guatemala City Teleonce Television in Spanish 1900 GMT 12 Aug 94

[From "Telepress" newscast]

[Text] A court has annulled the amnesty that had been granted to three former guerrillas and an alleged collaborator of the URNG [Guatemalan National Revolutionary Unity] earlier this week. The annulment was declared by the Third Appeals Court, its president, Vidal Garcia Anavisca, said today:

[Begin recording] [Garcia] The [words indistinct] by the Supreme Court the afternoon of 10 August. [Words indistinct] according to the conditions established by the new criminal code [words indistinct]. Based on that definition, we have [words indistinct] of the four individuals who were initially given the amnesty.

Our [words indistinct] was not in accordance with the Constitution and the law. [Words indistinct] we made

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the decision, according to the powers vested upon us by the law, to hand down a resolution declaring the annulment of the resolution granting the amnesty. [Words indistinct] the Attorney General's Office, because it is the institution in charge of the investigations so it can take the necessary steps.

[Unidentified reporter] [Words indistinct]

[Garcia] I want to state the judge had based himself on Decree No. (3838), but the legal problem was the decree was issued for a certain circumstance and a limited time. I can tell you the following: The decree states it is applicable to all individuals who find themselves in special situations, such as being a member of the URNG, up until 23 July (1988). Under this light [words indistinct], there is no longer any special law to which we can resort.

[Reporter] [Words indistinct]

[Garcia] We are resolving that matter at this time. The Attorney General's Office will have to investigate. There are several situations, and the first was the objection by the [words indistinct] to challenge the resolution handed down by the court. The law grants him the possibility of [words indistinct]. When the Attorney General's Office [words indistinct].

[Reporter] There is no amnesty law in effect now?

[Garcia] We cannot grant amnesty to the individuals who had been granted prior amnesty based on this decree.

[Reporter] What will be the situation of the four individuals?

[Garcia] The four individuals who had been granted amnesty will have the status of common citizens now.

[Reporter] [Words indistinct]

[Garcia] Let us remember we began abiding by a new (?criminal) code as of 1 July 1994. As a result, we need to have a strong base in order for us to issue an amnesty resolution. We have turned the case over to the Attorney General's Office so it can be resolved according to Decree No. 515192.

Deputy Government Minister on Anti-Drug Policy

PA1508160794 Guatemala City Televisiete Television in Spanish 0400 GMT 11 Aug 94

[From the "Channel 7 News" newscast]

[Text] Of all the cocaine bound for the United States, 20 percent remains in Guatemala, according to Deputy Government Minister Mario Alfredo Merida, who announced plans to counter this plight.

[Begin recording] [Merida] There is a commission that was appointed by the president. It is chaired by Vice President Arturo Herbruger and includes the health minister, education minister, the defense minister, and representatives from the district attorney's office and the attorney general's office. This commission will draft the policy to counter the use of drugs in Guatemala.

[Unidentified correspondent] How much drug use is there in Guatemala?

[Merida] We can speak better in terms of percentages. We believe that of all the cocaine bound for the United States, perhaps 20 percent remains for internal consumption. The last time a newsman referred to the drug situation in Guatemala, he said, and I repeat, that perhaps we do not have to place so much pressure on the countries that the drugs are destined for, but rather on the ports that serve for loading and shipping the drugs worldwide. [end recording]

Honduras

IDB Head Warns Government on International Aid

PA1608024994 San Pedro Sula TIEMPO in Spanish 12 Aug 94 p 3

[Report by Maria Edith Diaz]

[Text] Tegucigalpa—Enrique Iglesias, Inter-American Development Bank (IDB) president, warned the government yesterday international assistance will not be given to the country if the economic measures are not approved, because the international credit organizations prefer to plow in fertile lands.

Iglesias met with President Carlos Roberto Reina and his economic cabinet to study the Honduran Government's programs for fiscal reorganization and overall improvement of public administration.

Asked whether his warning meant there would be no additional loans for Honduras, he said: "It means if assistance does not arrive, the first to feel the impact will be the Hondurans, because disorder is very expensive in the end. When affairs are in disorder, we have inflation, capital leaves, people do not invest, and, thus, there are no enterprises to give jobs."

Putting affairs in order, he added, is also expensive. He said the big disorder in the country had to be attributed to the predecessors of the current government. Iglesias observed the measures must now be accompanied by social policies, because disorder has forced the current measures.

"Thus, the blame is not to be placed on the medicine but, rather, on the sickness, and the sickness clearly stems from the big events that occurred during the 1980's," he added.

According to Iglesias, this type of economic reorganization is being negotiated with the IMF. "Our participation in these types of operations, of course, is needed and will make it easier to help" the country, because the

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more we put the house in order, the easier it will be to get assistance."In this way, we can plow in fertile land."

Despite those statements, he denied the IDB is giving orders to any government and said each government determines its own policies. Iglesias said that his organization had been the first to assign resources to Honduras and that he does not give lectures or orders to any government; he only gives them backing.

It Is Urgent That Measures Be Approved

Finance Minister Juan Ferrera said they have to reach agreements with the international organizations as soon as possible, because once this is done, there are $266 million that are being apportioned, and $548 million more will be granted, plus an additional $20 million in assistance for the four years of liberal government, out of which approximately $300 million will reach the social sector.

Ferrera said Iglesias had promised to continue helping Honduras, but Iglesias believes that Honduras, due to its economic problems, will not be given credibility until it reaches an agreement with the IMF and that disbursements depend on this agreement.

Thus, before obtaining this assistance, we urgently need to order our agreements with the IMF, which are closely linked to the economic measures proposed by the government to reduce the fiscal deficit.

According to Ferrera, the IDB representative said there was a possibility the Paris Club would forgive our debt by 50 percent as a minimum and up to two-thirds as a maximum, next year. This measure would leave our $1.2-billion debt at between $600 to $900 million.

Reina Asks for Intercession

PA1608023994 San Pedro Sula TIEMPO in Spanish 12 Aug 94 p 3

[Report by Maria Edith Diaz]

[Text] Tegucigalpa—President Carlos Roberto Reina requested yesterday that Enrique Iglesias, Inter-American Development Bank (IDB) president, intercede on Honduras' behalf before the international financial organizations so as to persuade them to be more flexible in the negotiations for the new economic program.

The president said prior to his meeting with the IDB official "one of the issues that triggers my interest the most is social stability. We have to leave economic stability to one side a bit and be more concerned with the people's stability."

He said the IDB agrees with the postulates of the "moral revolution" and has been one of the most flexible international credit organizations. Through this organization, Reina added, they will attempt to get the remainder of the financial organizations to have the same flexibility.

Furthermore, Reina said that Iglesias is not in Honduras only to make demands but that he is here as a gesture of solidarity with the country's problems. He said the IDB is a valid forum to obtain assistance from international organizations in a reasonable period of time.

The president was asked if he was breathing more at ease after his meeting with Congress President Carlos Flores Facusse and political leader Jaime Rosenthal Oliva, and he replied: "I always breathe easily."

He said he was convinced Congress will approve the package of economic measures, although, understandably, with certain changes.

Reina referred to the private sector's refusal to back the adjustment measures when it had promised to endorse them. He said a few businessmen oppose the measures, because no one likes taxes.

On another issue, the president mentioned the alleged presence of Cuban advisers in his government and said the mere fact of bringing up the issue is a return to the "Cold War." He said that there have been several Cuban sports advisers working in the country since the previous administration and that they are excellent advisers.

New Organization Threatens 'Destabilizing' Acts

PA1408011194 Mexico City NOTIMEX in Spanish 0932 GMT 12 Aug 94

[Text] Tegucigalpa, 12 Aug (NOTIMEX)—An alleged clandestine organization, which is unknown in Honduras, has threatened the government with destabilizing actions "it will never forget" on the occasion of the visit by Enrique Iglesias, president of the Inter-American Development Bank [IDB].

In a message transmitted by the radio station Radio America, the self-styled "Rolando Vindel People's Vindicating Front" [Frente Reivindicador Popular Rolando Vindel] has warned the government "we will let them know in the coming hours of our repudiation as expressed in a manner it will never forget."

An anonymous male caller said on the telephone "the organization rejects the visit by the IDB president, who is an unconditional figurehead of imperialist interests, oppressors, and those who strangle the people."

Iglesias arrived in Tegucigalpa for an official 24-hour visit to meet with President Carlos Roberto Reina and political, union, and business leaders.

The clandestine organization condemned the "servile attitude" of the political class, which acts "without caring about the hunger we are enduring." The organization added the rejection of a new program of economic measures by business leaders who comprise the Honduran Council for Private Enterprise (COHEP) is "a trap with future political purposes," because businessmen only care about "increasing their wealth."

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Reina's government has announced it will send Congress a proposal of economic measures, including taxes [words indistinct] which affects gasoline the coming week.

This group would be the third clandestine one to appear in Honduras in the past two weeks. The Democratic Constitutionalist Civic Committee surfaced before this appearance and pronounced itself against the presence of Cubans in the country. In addition, the Civic Committee That Executes Thieves [Comite Civico Ejecutor de Ladrones] emerged and killed two people this week.

Bertha Oliva, coordinator of the Committee of Relatives of Missing Prisoners in Honduras (COFADEH), has told NOTIMEX this type of unknown organization "seeks to manipulate national and international opinion to justify itself." She added "we cannot lose perspective. There is deep interest in destabilizing the government" of President Reina, who took office on 27 January.

Rolando Vindel disappeared on 18 March 1984 when he was president of the [words indistinct].

Nicaragua

FSLN Officials Agree To Maintain Communications

PA1408020494 Managua Canal Cuatro Television in Spanish 0400 GMT 9 Aug 94

[Report by Josy Castillo; from the "Extravision" newscast—passages within quotation marks recorded]

[Text] After a meeting between the Sandinist bloc and the National Directorate of the Sandinist National Liberation Front [FSLN], which lasted more than six hours, the two FSLN representations agreed on the mechanisms to maintain communication between both groups. One of those mechanisms will be that National Directorate members Dora Maria Tellez, Benigna Mendiola, and Mirna Cunningham, who are also deputies in the National Assembly, will maintain direct communication between the Sandinist bloc and the National Directorate. It was also agreed to hold periodic meetings between the two Sandinist groups and meetings between FSLN Secretary General Daniel Ortega and Sandinist bloc leader Sergio Ramirez. Daniel Ortega comments:

[Ortega] "We are satisfied with the fraternal and constructive manner in which this working session between the National Directorate and the Sandinist bloc was held. We discussed the need to strengthen the unity and cohesion among Sandinists and among the Sandinist bloc. In order to have more effective mechanisms to discuss subjects related to the legislative actions within the National Assembly, where the Sandinist bloc plays a prominent role, we established channels of communication between the new FSLN National Directorate elected in the May Congress and the Sandinist bloc.

"We must consider three members of the Sandinist legislative bloc are also members of the new National Directorate. They are Dora Maria Tellez, who is the second leader in the Sandinist bloc, Benigna Mendiola, and Mirna Cunningham.

"The mechanisms for communication have been formalized. We did not have the opportunity to discuss the manner in which communication would be handled between the Sandinist bloc and the new Sandinist Directorate; this issue has been clarified and established in today's meeting.

"We also discussed our interest in debating subjects of great importance for the Nicaraguan people, such as the Military Code, the Labor Code, constitutional amendments, and the appointment of new Supreme Court magistrates."

Meanwhile, Sandinist bloc leader Sergio Ramirez Mercado said:

[Ramirez] "This meeting is the first between the FSLN National Directorate after the 20 May 1994 Congress. This meeting has been useful to exchange views, to keep each other informed, to discuss the scope of the Sandinist bloc's legislative work, and the necessary communication that must exist between the Sandinist bloc, the Sandinist Assembly, and the FSLN National Directorate.

"We can say the first consensus we reached is that we must strengthen the permanent mechanism of communication as represented by the members of the Sandinist bloc who are also members of the National Directorate, including Dora Maria Tellez, second leader of the Sandinist bloc. This is the mechanism for communication and coordination we must follow.

"We also discussed other mechanisms of communication, such as periodic meetings between representatives from the National Directorate and the board of directors or executive committee of the Sandinist bloc in addition to the permanent communication between the FSLN secretary general and the Sandinist bloc leader."

Here are additional comments by Daniel Ortega:

[Ortega] "First, we are Sandinist militants. Our positions come second. What unites us is our affinity as Sandinist militants. We have confidence in the FSLN deputies, the Sandinist bloc, and Sergio Ramirez Mercado, as leader of the bloc.

"It is important to note that I am the sole deputy and that Sergio has been given a vote of confidence to take over this responsibility as leader of the Sandinist bloc. He was chosen, because we believe this is what is best for Sandinism. The National Directorate at no time expressed a lack of confidence in the Sandinist deputies."

We asked Rene Nunez Tellez, a member of the FSLN National Directorate, the following question:

[Castillo] "Regarding the independence and autonomy of the Sandinist bloc, certain FSLN deputies have specifically referred to the FSLN secretary general, autonomy, and independence. Was this point discussed at the meeting?

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[Nunez] "I believe it is obvious there are communication problems between the Sandinist bloc, the deputies, and the FSLN directorate, the reason why we met to discuss the problems and differences that may exist. From that viewpoint, we discussed the most sensitive problems in relations between the National Directorate and the Sandinist bloc. I believe that this was the first step and that the results have been positive. The discussions are not over. We will continue to discuss the prevailing differences in order to find solutions.

[Castillo] "Would you say there is a crisis between the Sandinist bloc and the National Directorate?

[Nunez] "No. I would say, on the contrary, we have tried today to overcome a difficult problem of communication we have had, and we are already on the way to finding definite solutions."

Panama

Assembly Abolishes General Council of State

PA1508140094 Panama City EL PANAMA AMERICA in Spanish 12 Aug 94 p e-12

[Report by Carlos Vargas]

[Text] In its first debate yesterday, the Legislative Assembly approved a new amendment to the Constitution that abolishes the General Council of State, an office established by the 1972 Constitution, written under the military regime.

By a large majority, the legislators agreed to eliminate Articles 196 and 197 of Chapter Four of the 1972 Constitution, which include the establishment of the General Council of State.

The legislators rejected a proposal presented by the Executive to reform Article 196 and another proposal presented by the PRD [Democratic Revolutionary Party] bloc related to the General Council of State.

Government and Justice Minister Jacobo Salas expressed his support for the Legislative Assembly's decision to abolish the General Council of State.

Legislator Gloria Moreno de Lopez said the General Council of State had been a tool used by the National Guard and Panama Defense Force chiefs to give orders to the presidents they had appointed.

On his part, MOLIRENA [Nationalist Liberal Republican Movement] Legislator Miguel Cardenas asserted that "there are no reasons" to control the Legislative Assembly president and the Comptroller General of the republic.

Finance Minister's Resignation Letter Published

PA1508021694 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Aug 94 p A-2

["Letter of Resignation" by Finance Minister Victor N. Juliao addressed to President Guillermo Endara written in Panama City on 12 August]

[Text] Dear Mr. President: This letter is to state my resignation as finance minister.

I made this difficult decision after considering several situations related to the public bidding to grant a concession for a slot machine dealership in the National Casinos.

I believe it is my duty to report, after careful consideration, I have decided not to sign any resolution granting the dealership to any one of the bidders, because the process has been impaired for the following reasons:

1. Several of the bidders themselves have rendered the process ineffective by using every trick, campaign of discredit, dirty move, conflict of interests, and slander as had never been seen before.

2. Assembly President Arturo Vallarino has appointed lawmaker Gisela Chung as an assembly representative at the Gambling Control Board, although everyone knows Vallarino is a partner of the corporations European and Adventure, which are participating in the bidding.

3. According to legal opinions, appointing the assembly delegate to the Gambling Control Board is the exclusive right of the Finance Commission, not of the board of directors. The Finance Commission appointed the now deceased lawmaker Arnulfo Escalona.

4. The voting procedure used by the Gambling Control Board to grant the dealership was faulty. This is how the vote was taken: Lawmaker Chung voted for the dismissal of the recommendation by the Evaluating Commission. Comptroller General Jose Chen Barria said he believed anyone could do the work. Minister Juliao has voted for the acceptance of the recommendation by the Evaluating Commission, which favored the CIRSA [expansion unknown]. I then asked Chung for whom she would vote, and she replied for European Corporation. I asked the comptroller general whether his vote would be for European also. He said no, that he voted for Adventure Corporation. The comptroller said that there were three different votes and that, therefore, there was no consensus. Immediately, Chung said that she was changing her vote for Adventure and that, consequently, there was indeed a majority. The comptroller said Chung's change of vote would be recorded in the minutes.

Mr. President, Chung has been pressuring me since the day of the vote to draft the resolution granting the dealership to Adventure Corporation and to have the resolution signed by the Gambling Control Board, a pressure which I have disregarded.

I received a note two days ago, however, signed by Chung and Chen Barria asking me to call for a special Gambling Control Board meeting reportedly so the board could clarify remarks allegedly made by "a senior National Casinos official."

Asked by myself, National Casinos Director Garuz said he had made no remarks, when asked at a Transition

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Commission meeting, other than that this bid was in the hands of the Gambling Control Board.

Because of the above, Mr. President, I believe the request for a special Gambling Control Board meeting is only a pretext to pressuring me into signing the resolution granting the dealership. Rather than yielding to the pressure of the other Gambling Control Board members, I have decided to stick to my decision not to sign the resolution and resign my position as minister.

I would like to close this letter by thanking you, Mr. President, for the distinction you gave me by appointing me finance minister in your government. I am proud to have actively participated in your government, albeit for only seven months.

Yours truly, Minister Victor N. Juliao

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Argentina

Menem: 'State of Siege' Not Necessary

PY1508190394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2143 GMT 13 Aug 94

[Excerpt] La Rioja, 13 Aug (NA)—On 13 August President Carlos Menem asserted that "it is not necessary" to declare a state of siege in Argentina in view of the possibility of a third terrorist attack being perpetrated in the country. He also made it clear that "there is no panic or anything like it" among the public.

The head of state underscored that "activities in the country should proceed normally," although he noted that "any measures and precautions" that are needed "to detect any kind of activity of this nature should be taken."

He went on to say that "the political parties were summoned because this is a state rather than governmental issue," adding that the government had "assumed responsibility for the measures that are under way, which have been fully implemented in order to prevent terrorist attacks."

During a news conference he gave in Anillaco, Menem said that "you know very well that from the moment we summoned the political parties, these kinds of measures and threats were going to become public knowledge."

He explained that "it would have been much worse to hide things of which the public should be aware, because above and beyond their normal activities they should be aware of this threat. It is only natural that we should have warned the public."

In light of the numerous press communiques issued on 12 August, and the reference to hospitals prepared for any emergency, Menem conceded that "in that respect, in making reference to operating rooms, it may have been a bit excessive, but it was a frank position in light of this threat."

Menem answered in the negative to reporters who asked him whether the government had information that the "repentant" Iranian who had testified before Judge Juan Jose Galeano in Venezuela was a CIA infiltrator.

"We have no such information. The only thing we know is that the CIA, together with other intelligence services, is working to prevent these kinds of attacks," he said.

With regard to relations with Iran at this juncture, Menem stated that "it goes without saying that they are more tense than before these events took place. We will see how things develop."

He moreover explained that the Argentine Government had requested of Iran some information, which "I imagine will be submitted within the next few days. Basing ourselves on this information, we will take the course of action that we deem most appropriate."

He noted that a typical form of action in international terrorism is to threaten a place, threaten a country, and strike elsewhere." [no opening quotation marks as received]

"It may very well be that security measures are adopted in a country, and then it happens that despite the threat no terrorist attack is perpetrated in that country, but rather it occurs in another one. Still, one has to take precautions, just in case," he commented. [passage omitted]

Di Tella: Ties With Iran 'Very Complicated'

PY1608044394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0220 GMT 16 Aug 94

[Text] Following the investigations to accurately determine the existence of ties between international terrorism and Iranian officials and former diplomats in the AMIA [Argentine-Israeli Mutual Associations] bombing, Foreign Minister Guido Di Tella tonight described as "very complicated" the relationship between Argentina and Iran.

Continuing his remarks, Di Tella admitted that, even though the Israeli Government was "the main source of information," warning of possible new attacks in Argentina, repentant Iranian Manuchehr Motamer "might be" another informer who reportedly voiced a warning on this issue.

In this regard, Di Tella pointed out that the government decided to release the information concerning the possibility of a third attack "after it became obvious that the security operation would be learned by the public."

Di Tella also emphasized that the Iranian Government "wants evidence" supporting the charges leveled against Iranian officials. He made it clear that this evidence "depends on court proceedings."

In remarks during the Hadad y Longobardi program over America TV, the foreign minister said: "I would be bragging if I said we do not fear any reprisals, because terrorism exists."

Asked about the source of these possible reprisals, Di Tella emphasized that the fundamentalist group "Hizballah could carry out reprisals, but Iran is something else."

Continuing, the foreign minister noted: "As soon as we are sure that a country has been directly or indirectly involved (in the AMIA bombing), we will take very strong measures."

Nevertheless, Di Tella added: "Abrupt measures will not be taken because it would represent a success for terrorism." He added that the Foreign Ministry "never said we were going to sever relations."

'Repentant' Iranian 'Has Not Requested' Asylum

PY1508150994 Madrid EFE in Spanish 0007 GMT 14 Aug 94

[Text] Quito, 13 Aug (EFE)—On 13 August the Argentine Embassy in Quito disclosed that the "repentant"

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Iranian Manuchehr Motamer has not requested political asylum in Argentina. It further reported that he had offered his "voluntary" cooperation in the investigations into the attack perpetrated on the Argentine-Israeli Mutual Association [AMIA] headquarters.

Jose Luis Fernandez Valoni, Argentine ambassador to Ecuador, told the EFE news agency that "Motamer came to the Argentine Embassy of his own accord on 11 August and expressed his wish to continue cooperating with the inquest into the attack on the AMIA headquarters, but he did not request anything from Argentina."

He went on to say that he is awaiting instructions from the Argentine Government, which will "eventually" make a decision on Motamer's offer to provide more information about the accusations he has leveled against the Iranian Government for its alleged involvement in last month's attack, which claimed around 100 lives.

Fernandez Valoni said that he held a lengthy talk with Motamer, but he declined to reveal the issues broached at the meeting "for obvious reasons." He nonetheless asserted that all the information "was handled with complete seriousness, swiftness, and confidentiality."

The Argentine ambassador informed Buenos Aires of his talk with Motamer immediately after the latter had left the Argentine Embassy in Quito "of his own accord." Motamer stayed at the embassy only for the day.

Fernandez Valoni underlined that "any time Motamer wishes to come here, he may do so; the doors of the embassy are always open."

The Ecuadoran Immigration Police confirmed to EFE that the "repentant" Iranian is in Quito with his family, under the protection of the UN Office of the High Commissioner for Refugees (UNHCR)

Iranian Carrying False Passport Released

PY1508213494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2105 GMT 13 Aug 94

[Text] Buenos Aires, 13 Aug (NA)—After testifying before Judge Claudio Bonadia, an Iranian citizen who had been arrested while trying to cross to Uruguay with an allegedly forged passport was released today.

The judge heard the Iranian's testimony for more than three hours. Afterward, the judge decided to release Lauret Fabre [name as received] because a check of the passport's photograph and seals, carried out by experts, demonstrated that it is authentic.

The Iranian was arrested yesterday while trying to board a ship bound for Uruguay with an allegedly forged passport. The possibility that the passport was fake was ruled out after experts carried out the appropriate examination.

Federal Revenue Sharing Articles Viewed

PY1308014894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0106 GMT 12 Aug 94

["Text" of the federal package approved by the Constituent Assembly]

[Text] Santa Fe, 11 Aug (NA)—Here are the constitutional reforms that refer to federal revenue sharing, the relationship between the national state and the province; the authority that the provinces will have; and the educational system that was approved tonight by the Constituent Assembly:

Article 1: Paragraph 1 of Article 67 is replaced with the following text:

[Congress will:]

1. Legislate everything pertaining to customs matters. It will establish import and export duties and their appraisals, which will be uniform throughout the country.

Article 2: Paragraph 2 of Article 67 is replaced with the following text:

2. Impose indirect contributions as a concurrent power with the provinces. It will also impose direct contributions for a determined period of time that will be proportionally equal throughout the nation's territory if the defense, common security, and the overall welfare of the state so demand. The contributions provided for in this paragraph, with the exception of the part or the total that have a specified assignment, will be shared.

A law of agreement, on the basis of agreements between the nation and the provinces, will institute a system of revenue sharing thus guaranteeing that the funds will be remitted automatically.

The distribution between the nation, the provinces, and the city of Buenos Aires will be made in direct relation to the competence, services, and functions of each of them, taking into account objective criteria for the distribution; which will be equal, made with solidarity, and will give priority to the achievement of an equivalent degree of development, a quality of life, and parity of opportunities throughout the national territory.

The Senate will originate the law of agreement which must be sanctioned by an absolute majority of the total of each of the two chambers. It cannot be modified unilaterally, it cannot be regulated, and it will be approved by the provinces.

There will be no transfer of competence, services, or functions without the appropriate reassignment of resources that will be approved by a Congressional law when appropriate and by the interested province or the city of Buenos Aires as appropriate.

A federal fiscal organization will control and oversee the execution of what is established in this article in accordance with what is determined by the law, which must ensure the representation of all of the provinces and of the city of Buenos Aires in its formulation.

Article 3: Incorporate the following as Paragraph 2 bis of Article 67:

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Article 2 bis. The establishment and modification of specific assignments of shared resources for a specific period of time can be achieved with a special law that will be approved by an absolute majority of the total of each of the chambers.

Article 4: Paragraph 5 of Article 67 is replaced with the following text:

Paragraph 5. It will establish the statutes of a Federal Bank that may issue currency. When necessary it can create other national banks.

Article 5: Paragraph 7 of Article 67 is replaced with the following text:

Paragraph 7. It will annually draft, in accordance with the guidelines established in the third sub-section of Paragraph 2 of this article, the general budget, an estimate of the administration's resources on the basis of the government's overall program and of the public investment plan, and approve or reject the investments account.

Article 6: The following is added as Paragraph 16 bis of Article 67:

Article 16 bis: It will provide what is necessary for economic progress, human development, the generation of productive employment, the professional training of workers, the defense of the value of the currency, and for scientific and technological research and development and its dissemination and uses.

It will provide for the harmonious growth of the nation and the peopling of its territory, promote differential policies with a tendency to balance unequal relative development of the provinces and regions. The Senate will be the originating chamber for these initiatives.

It will approve organizational and foundational laws that will consolidate national unity, always respecting the particularities of the provinces, laws that will ensure the state's responsibility—which cannot be delegated—and the participation of the family and society, the promotion of democratic values, and the equality of opportunities and possibilities without any discrimination. It will also approve laws that guarantee the principles of a free and equal public state education, and the autonomy and the self-sufficiency of the national universities.

It will issue laws that will protect cultural identity and plurality, the free creation and dissemination of works of art—without any type of censorship or obstacle—preserve patrimony, cultural and audio-visual spaces, and that will ensure the right of every inhabitant to accede to culture and its benefits.

Article 7: Paragraph 27 of Article 67 will be replaced as follows:

Paragraph 27: It will exercise exclusive legislative powers throughout the nation's capital and will dictate the necessary legislation for the fulfillment of specific goals of national need establishments in the entire national territory. Provincial and municipal authorities will maintain police and tax powers on these establishments, as long as they do not interfere with the fulfillment of their objectives.

Article 8. Article 68 is replaced as follows:

Article 68: Laws may be originated in either house of Congress following initiatives submitted by members or the executive branch, except for exceptions established in this Constitution.

Article 9. Article 106 is replaced as follows:

Article 106. Each province will issue its own Constitution in accordance with what is established in Article 5, maintaining municipal autonomy, and covering all institutional, political, administrative, economic, and financial areas.

Article 10. Article 106 bis is added as follows:

Article 106 bis: Provinces will be empowered to create regions for social and economic development and to establish organs with the attributions to enable them to fulfill their goals. They will be empowered to sign international agreements, as long as they are not incompatible with the nation's foreign policy and do not affect the attributions delegated to the federal government or the nation's public credit, with the knowledge of the National Congress, the city of Buenos Aires will have the regime established to that effect. [sentence as received]

The provinces will have basic control over natural resources in their territories.

Article 11. Add as the final paragraph of Article 107 the following text:

The provinces and the city of Buenos Aires may create social security organizations for public employees and professionals. They will be empowered to promote education, science, knowledge, and culture.

Article 12. The following is incorporated as a transitory clause:

Transitory clause:

A revenue sharing scheme in accordance with what is established in Paragraph 2, Article 67, and federal fiscal organization regulations will be established before the end of 1996. The distribution of responsibilities, services, and functions in effect at the time this reform is approved will not be modified without the approval of the affected province. The distribution of resources in effect at the time this reform is approved will not be modified at the expense of the provinces, and in both cases, until a revenue sharing regime is approved.

This clause does not affect administrative or judicial claims caused by disagreements on the distribution of attributions, services, functions, or revenues between the nation and the provinces.

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Bolivia

'Sources' Expect Resumption of Ties With Chile

PY1508183194 Madrid EFE in Spanish 2053 GMT 12 Aug 94

[Text] Santa Cruz, 12 Aug (EFE)—Diplomatic sources have assured EFE that the Bolivian and Chilean Governments have agreed to resume diplomatic relations between the two countries in 1996.

The Chilean and Bolivian deputy foreign ministers countries have met in the city of Santa Cruz to draft the agenda for the upcoming meeting of their respective presidents during the Rio Group "summit" to be held in September in Brazil, and established a two-year term for discussing the Bolivian demand for an outlet to the sea and resume diplomatic relations.

The 1996 Rio Group summit will be held in Cochabamba, and may become the forum at which the two nations resume their relations, which were broken in 1962, according to sources consulted by EFE.

President Eduardo Frei will become the first Chilean president to visit Bolivia in 41 years in attending the Rio Group meeting, which is similar to what Bolivian President Gonzalo Sanchez de Lozada did when he visited Santiago last year to attend a meeting of the same organization.

During the meeting in Santa Cruz, Bolivia and Chile took a step forward in the difficult rapprochement of their non-diplomatic relations by excluding from the agenda the Bolivian demand for an outlet to the sea, the key to Bolivia's policy toward Chile.

Bolivian Consul in Santiago Hermann Antelo asserted that the sea issue is "very important" to Bolivia, but "not the only one, because there are other issues related to economy and commerce that must also be discussed."

In refuting criticism from "hard-line" sectors, Antelo said that "in order to make progress another approach, free from the obsession with an outlet to the sea, must be sought."

Bolivian conservative sectors will not yield in their determination to solve the maritime problem before seeking a Bolivian-Chilean rapprochement that would lead to the resumption of the relations broken 32 years ago.

The implicit "truce" regarding the century-old Bolivian demand for an outlet to the sea will allow progress in other aspects of bilateral relations, such as the integration of highway and electricity networks, trade, and Chilean investments in Bolivia.

Trade between Bolivia and Chile amounts to some $160 million, of which $147 million represents Chilean exports. This information was disclosed by Martin Rivas, commercial attache at the Chilean Consulate in La Paz.

Bolivia sells $13 million worth of products to Chile, but hopes to increase this figure with the export of natural gas to northern Chile.

According to Chilean information, illegal Bolivian trade and contraband represents an income for Chile of approximately $300 million per year, especially to the Iquique free zone.

Rivas announced that during the next three years Chilean investments will represent a inflow of $50 million for Bolivian enterprises, banks, and high technology applications.

Referring to Bolivian industrial potential, Rivas said: "We wish to jointly enter the European, U.S., and Asian markets with benefits for both countries."

Bolivia lost 120,000 square kilometers of its Pacific coast after a war waged together with Peru against Chile in 1879, triggered by European economic interests in the guano and saltpeter deposits in Bolivia and Peru.

Diplomatic relations between the Chilean and Bolivian Governments have been broken since 1962, with a brief three-year resumption (1975-1978) during which an attempt was made to grant Bolivia an outlet to the Pacific; the new attempt, however, also failed.

President Promulgates Reformed Constitution

PY1508120194 La Paz Television Nacional Network in Spanish 0100 GMT 13 Aug 94

[Excerpt] The constitutional reforms were enacted today after they were promulgated by President Gonzalo Sanchez de Lozada.

As of today, Bolivia has a reformed Constitution that was promulgated by the chief of state and published in the official gazette.

A lot happened before we reached this stage. The first move took place on 5 February 1991. On 9 July 1992, Jaime Paz Zamora, who at that time was president of the Republic, summoned nine political leaders to a meeting at government house. During that meeting the politicians revealed the existance of the will to carry out these reforms. [passage omitted]

Guarani People Initiate March To Demand Land

PY1508182694 La Paz PRESENCIA in Spanish 2 Aug 94 Section 2 p 1

[Text] Sucre—The Guarani Peoples Assembly [Asamblea del Pueblo Guarani—APG], which was held on the afternoon of 1 August in Camiri, decided to end the dialogue with the government and begin a "Guarani March for Land and Freedom" between Monteagudo and Sucre, a total of 315 km, on 11 August.

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This information was disclosed in Camiri by Alan Llanos of the "Teko-Guarani" organization, which works with the Guarani indigenous people in the Bolivian Chaco region.

Llanos, who got in touch with the Catholic radio station "Loyola" in this capital, explained that the chiefs of the Guarani people had assessed the government's proposals pursuant to their request for land and freedom.

After a lengthy debate it was agreed that the executive branch had revealed merely "theoretical credibility," while when it came to deeds "it had only submitted a letter of intent" that represents no kind of guarantee.

Explaining that the Guarani people from Luis Calvo Province (Chuquisaca), Cordillera (Santa Cruz), and O'Connor Gran Chaco (Tarija) had decided unanimously to march from Sucre to the judicial branch headquarters, Llanos said: "We have waited long enough."

This historic march—the first staged by the Guarani indigenous people—will start on 11 August in Monteagudo, capital of Hernando Siles Province.

One thousand Guarani people and representatives of other ethnic groups throughout Bolivia will march 315 km on foot along the main highway linking Sucre with Santa Cruz.

During his telephone conversation with the Loyola station, Llanos said: "We want to march up to the Supreme Court to demand justice, because we cannot continue landless and without freedom."

In addition to the aforementioned demands, the APG decided to campaign for the legal recognition of the "Guarani Nation" by government institutions.

The march could last 25 days. It is quite likely that the Guarani people will march to La Paz, the government headquarters, if by the time they arrive in this capital they do not have a concrete proposal for resolving their lack of land and freedom.

According to information from organizations specializing in rural affairs, in the Bolivian Chaco there are individuals who own up to 150,000 hectares of land, while over 3,000 Guarani people do not own an inch of land on which to sow their crops.

There also is concern over the lack of freedom enjoyed by the Guarani people. Many of them—entire families—are treated as slaves by the farm owners.

During a visit to this region one month ago, the Sucre archbishop witnessed that Guarani people are not even allowed to go to school, nor participate in Catholic Church activities such as mass, short courses, etc.

The march had been scheduled for 19 July, but departmental and national authorities asked for some time, which expires today.

Ω Prison Conditions, Justice System Condemned

94P21068

[Editorial Report] The situation in Bolivia's prisons came under attack from government, church, and human rights officials and from the press following a 20 June fire that resulted in three deaths at La Paz's San Pedro prison. Overcrowding, delay in the administration of justice, substandard accommodations, no rehabilitation opportunities, poor food, and human rights abuses were widely condemned, according to press reports, and the Bolivian Labor Federation (COB) announced a "national crusade for justice" (La Paz HOY 1 July).

Criticism Mounts

Miguel Virrueta, undersecretary of prisons in the Ministry of Government, described the country's jails to HOY of 22 June as a "time bomb" and declared that the delay in the administration of justice was the main cause of overcrowding in the prisons. According to Virrueta, there was no more room in any of the nation's jails, with the exception of Chonchocoro prison, which, with a capacity of 300, had space for 50 more people. The largest prison in the country, San Pedro, was built to accommodate 300 inmates and currently houses close to 1,600. HOY of 28 June reported that only 268 prisoners in that jail—17 percent—had received verdicts. The remaining 1,332 inmates, or 83 percent, were in "preventive custody," awaiting the results of their trials. Among them were those who had served their sentence but could not leave because of the high costs of "civil damages," that is, "compensation and/or money the accused must pay for property damage or 'moral' injury" amounting to between $400 and $1,200 per month. Similar conditions existed at other prisons, such as Palmasola Prison in Santa Cruz and the Women's Correctional Center in La Paz, according to the HOY report. The daily declared that this was a demonstration of the "abuse" committed by the judges "in whose name hundreds of prisoners have to live behind bars because only those with money can leave easily." Of the approximately 5,000 inmates in jails nationwide (not counting Santa Cruz Department) 45.2 percent were imprisoned for drug-trafficking offenses; 33.9 for common crimes; 14.8 percent for homicide, and 3 percent for assassination. The paper added that an additional 40 inmates were imprisoned for armed assault and terrorism.

Waldo Albarracin, president of the Bolivian Permanent Human Rights Assembly (APDHB), told HOY of 27 June that the deaths in the fire could have been avoided if the government had allocated more resources to prison infrastructure rather than to the "apparatus of repression." Speaking to HOY of 30 June, he commented that the delay in the administration of justice was "just one more aspect of judicial corruption supported by political favors from the governing parties and whatever majority is in Congress at the time." Obsolete laws, "delinquent" judges, and "gangster" lawyers, explained Albarracin, all contribute to this corruption. He also denounced, in La

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Paz PRESENCIA of 19 July, "white collar crimes" committed by the political classes that are "covered up among themselves and are not investigated or punished."

An investigation by the Human Rights Commission in the Chamber of Deputies condemned the "vicious" human rights abuses, committed especially against inmates imprisoned for terrorism or drug trafficking who are often tortured and held incommunicado. According to HOY of 13 July, the investigation concluded that prisoners imprisoned for terrorism had been regularly subjected to psychological and physical torture between 1989 and 1993. Police Commander Luis Rocha Martinez denied the charges, in the 14 July issue of the daily, describing them as "not reflecting reality."

Papal Nuncio Giovanni Tonicci, in La Paz PRESENCIA of 30 June, also "harshly criticized" the attitude of police and government authorities for "belatedly" paying attention to the country's "inhuman" prison conditions, which he termed "shameful."

Government Response

The government, through Social Communications Minister Ernesto Machicao, echoed the papal nuncio's concerns about the country's deplorable justice system, according to the same daily. He said that a draft bill would be presented to Congress to improve conditions in jails and modify obsolete codes. He pointed out that real reform in the justice system, however, would come about with the approval of the new constitution. Justice Minister Rene Blattman announced that he would present the draft bill to Congress in August to reform the Criminal Procedures code, according to HOY of 16 July. This bill would free a significant number of prisoners who have already served their sentences but who have not been released because of their inability to pay "civil damages" or judicial costs. The inmates at San Pedro Prison reacted with "incredulity" to this announcement, according to the HOY report, but were unanimous in declaring that Minister Blattman was the only one to put words into action.

Brazil

Gallup Poll Indicates Cardoso Leads by 7 Percent

PY1508182894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Aug 94 p A6

[Text] Fernando Henrique Cardoso, presidential candidate for the PSDB [Brazilian Social Democracy Party], is leading the presidential race, and currently leads PT [Workers Party] candidate Luiz Inacio Lula da Silva by seven percentage points. Until last month Lula had the greater number of supporters. According to a poll conducted by the Gallup Institute, the exclusive results of which were published by O ESTADO, Cardoso is now supported by 34.5 percent of the voters, while Lula has 27.6 percent.

The poll was conducted from 5 to 9 August, one week [as published] after the free electoral propaganda programs began to be broadcast over radio and television, and one month after the date on which the public began dealing with the real, the implementation of which changed the course of the presidential race. Since the previous poll, which was conducted in July, Lula has lost three points and Cardoso had gained four.

The PT candidate lost the support of voters from practically all social levels. Only the youngest and most destitute continue to support him. Even among these two groups the number of people preferring him to Cardoso is very small.

The only place where Lula maintains a significant lead over Cardoso is in the northeastern region, where Lula is supported by 33.4 percent of the voters and Cardoso by 30.5 percent. One of the main goals of Cardoso's alliance with the PFL [Liberal Front Party] at the beginning of the campaign was precisely to attract the voters of this region. Despite increasing support for Cardoso countrywide, however, the northeastern region is his weakest point. In the south the two candidates are practically even: Lula with 29.4 percent of the votes, and Cardoso with 28.1 percent.

The poll also indicates that the free electoral propaganda air time has not helped any of the other candidates. Leonel Brizola (PDT) [Democratic Labor Party] and Orestes Quercia (PMDB) [Brazilian Democratic Movement Party] are fighting for third place, both with little more than 4 percent of the votes.

Lula To Use 'Fiscal' Value in Expropriating Land

PY1608032494 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 94 Special Section p 3

[By Elvis Cesar Bonassa in Brasilia and Ari Cipola in Maceio]

[Excerpt] PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva has said that his government would pay for any land that is expropriated for agrarian reform purposes by taking into account the land's fiscal value, not its market price.

In a rally held in Ceilandia (a suburb of Brasilia), Lula said: "If a rancher owns a large ranch, but he pays taxes as though he is living on a small ranch, he will be paid as though he has a small ranch."

Fiscal value is used as a basis for calculating tax payments. It is usually much lower than the real value of any piece of land.

In the evening of 6 August, PT vice presidential candidate Aloizio Mercadante had already radicalized the party's position on agrarian reform.

Mercadante said: "We are going to put an end to latifundia. We are going to bring the land of sugar mill owners under the agrarian reform." [passage omitted]

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PRN Presidential Candidate Queiroz Resigns

PY1508120594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Aug 94

[Excerpts] Walter Queiroz—National Reconstruction Party, PRN, presidential candidate—resigned today. He was expelled from his party last week. [passage omitted]

In Brasilia, Walter Queiroz recorded his last free electoral propaganda program to apologize to the voters for having given up his candidacy.

On 14 August, the PRN board of directors will meet to decide whether the party will appoint another presidential candidate.

Roundup of Electoral Reports

PY1208183094

[Editorial Report] The following is a compilation of reports on electoral activities in Brazil leading up to the 3 October general elections, as monitored through 12 August.

On the first day of the free electoral propaganda for president, governors, and senators, 66 percent of 161 people polled by InformEstado company in Sao Paulo said they did not watch the political program. Of this total 61 percent said they were not interested in listening to the candidates' proposals. The poll was carried out by InformEstado on 3 August by telephone. Only 34 percent of those polled said they had watched the free electoral propaganda. Most (44 percent) classified the first program as acceptable; 29 percent said it was bad or very bad; and 29 percent said it was good or very good. The greatest approval rate was registered among people older than 50, with a high school education, and with little access to information. Of those whose watched the program, 38 percent said that Cardoso did the best job, while only 14 percent said this for Lula. Of those polled 53 percent said they already know for whom they would vote, while 47 percent said they have yet not made up their minds. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 94 p C6)

Compared with the 1990 elections, the number of voters in Rio Grande do Sul state has increased by 11.8 percent. That year 5,750,047 people cast their votes, while 6,337,199 voters have already registered in Rio Grande do Sul State for this year's 3 October elections. (Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Jul 94)

According to the Regional Electoral Court there are 7,125,678 voters in Bahia State alone. This is 6.6 percent greater than those who registered for the 1990 elections. There are 1,155,754 voters in Salvador and 5,969,924 in the interior of Bahia State. (Sao Paulo AGENCIA ESTADO in Portuguese 1825 GMT 4 Jul 94)

The cover story of ISTOE magazine this week carries a serious charge made by no less than Najum Turner, protagonist in the "Uruguay Operation" created by the Collor-PC Farias scheme: The existence of a dollar exchange operation on the black market by individuals linked to Sole Workers Center (CUT), and a deposit in the account of the PT Unified Committee in Sao Paulo. Turner confirmed to ISTOE journalist Mario Chimanovitch that he himself exchanged the dollars sent to him by a mediator known for his links with CUT, which at the time was headed by Jair Meneguelli. This represents two kinds of illegal transactions: First, the dollars should have been exchanged on the official exchange market; and second, labor unions cannot pass funds to political parties, according to Brazilian law. Of course the Workers Party (PT) leaders will again defend themselves by saying that it is all part of a scheme to harm Lula's candidacy, and they will try to discredit Turner's own accusations based on his not very clean past. Such is the PT's classic behavior. It is very strange that an organized party such as the PT would accept donations (in this case nearly $7,000) from someone like Najum Turner without investigating the origin of the money. (Sao Paulo ISTOE in Portuguese 10 Aug 94 p 13)

In order to recover the lead in the polls, PT presidential candidate Luiz Inacio Lula da Silva said that the PT's new campaign strategy will be to intensify the campaign in southeastern Brazil, divide the campaign in the rest of the country with his vice presidential running mate Aloizio Mercadante, and increase criticisms of the Real Plan. "Now it will be a campaign for the masses," said Lula, who does not believe in the effectiveness of the free electoral propaganda on radio and television. "I do not know how much longer the people will have the patience to listen to a whole slew of candidates." He also admitted that the new Superior Electoral Court rules for free electoral propaganda on television do not favor the campaigns. "We are running against not only the candidates but against the state apparatus, which makes the subliminal campaign much stronger than that of the candidate himself," said Lula, regarding the publicity over the real currency plan being carried out by the government. Besides, Lula said yesterday that he is hoping that the popularity of the smaller presidential candidates will increase so that they could take away votes from Cardoso. "I hope that the popularity of Brizola, Quercia, and Espiridiao Amin will increase so that they take votes away from Fernando Henrique," he said. (Rio de Janeiro JORNAL DO BRASIL 11 Aug 94 p 7)

Luiz Inacio Lula da Silva, PT presidential candidate, has diminished his criticism of the Real Plan. During a rally held in the town of Francisco Beltrao in the interior of Parana State, he admitted that if on 5 August homemakers are able to bring home more products from the supermarkets than they were able to on 30 June, it would be proof that the plan "is good"; if they bring home the same amount the plan "is like" the others; and if they bring home less "it is because the plan is bad." In comparing the May 1993 minimum wage to the current one, and the price of basic foodstuff basket products in

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the two periods, however, he said: "This is why I must say that the Real Value Unit and the first part of the plan have been extremely harmful for the workers." (Sao Paulo AGENCIA ESTADO in Portuguese 2222 GMT 24 Jul 94)

PT Presidential candidate Luiz Inacio Lula da Silva today filed a complaint before the Superior Electoral Court against the Brazilian Public Opinion and Statistics Institute (IBOPE) which he accused of carrying out electoral polls with questions he considers offensive to his political reputation, as they allegedly imply that if Lula wins the elections he will sponsor a radical change in the country through strikes, violence, and illegal land occupations. Lula also complains that in its poll IBOPE asserts that he is not prepared to govern because he only attended school through the fifth grade and has never held an administrative post. (Sao Paulo AGENCIA ESTADO in Portuguese 2219 GMT 11 Jul 94)

Fernando Henrique Cardoso's increasing popularity in the polls has caused an unexpected collateral effect on Lula's own campaign: Financial donations from businessmen to Lula's campaign have decreased. The Workers Party already lacks rally signs, outdoor signs, and street banners to maintain the street campaign. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Aug 94 p 1)

Alvaro Dias, president of the Popular Party (PP), announced in Curitiba on 15 July his party's decision to support Fernando Henrique Cardoso's presidential candidacy. He made this announcement upon returning from Ilheus, Bahia State, where he met PP leaders from other states. He said "Cardoso will promote the reforms the country demands," and pointed out that the next administration will have to implement changes in the financial system and speed up the constitutional reform. Dias is the Parana State gubernatorial candidate for the coalition comprised of his party and the PMDB. Dias denied having been influenced in his decision to support Cardoso by Senator Jose Eduardo Andrade Vieira (Brazilian Labor Party, Parana) (PTB-PR), who is one of the Cardoso campaign's coordinators. (Sao Paulo AGENCIA ESTADO in Portuguese 2200 GMT 15 Jul 94)

Acre Governor Romildo Magalhaes (Progressive Renewal Party, PPR) has decided to support Fernando Henrique Cardoso, presidential candidate for the Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party (PSDB-PFL-PTB) coalition. This was Magalhaes' reprisal to the PPR leadership, who decided to support the presidential candidacy of Esperidiao Amin of the Santa Catarina State PPR without consulting the Acre governor. Magalhaes met the PSDB executive board in Acre and announced that he would begin campaigning for Cardoso at the end of this week. The first rally will be held in Feijo County, 600 km from Rio Branco. In addition to the governor, Cardoso will be supported by 10 to 12 other state deputies who support Magalhaes in the legislative assembly. Magalhaes promised that a multiparty front will visit 22 counties in Acre State in support of Cardoso's candidacy. (Sao Paulo AGENCIA ESTADO in Portuguese 1911 GMT 28 Jul 94)

Former Industry and Commerce Minister Marcus Vinicius Pratini de Moraes yesterday started up a conflict within the PPR in Rio Grande do Sul, in announcing that he would support the candidacy of Fernando Henrique Cardoso. He said that what is important is the interests of the national majority. He also wants to guarantee the continuation of the Real Plan. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Aug 94 p 2)

According to Antonio Ernesto Salvo, president of the National Confederation of Agriculture, Fernando Henrique Cardoso, presidential candidate for the PSDB-PFL-PTB coalition, is supported by 99 percent of rural producers. Salvo made these comments after closing on 31 July the First Brazilian Congress of Rural Leaders, which gathered in Brasilia 1,480 farmers from various parts of the country. (Sao Paulo AGENCIA ESTADO in Portuguese 2218 GMT 31 Jul 94)

The name of Senator Marco Maciel (PFL, Pernambuco), vice presidential candidate on Fernando Henrique Cardoso's ticket, appears in documents from the Norberto Odebrecht construction company that were confiscated by the Federal Police from the home of Odebrecht director Ailton Reis in November 1993, during the budget Congressional Investigating Committee, CPI, process. In one of the documents, entitled "Notes for the 28 September 1993 meeting," Maciel appears on a list of names under the following title: "Friends that support us in CPI's, bills, amendments, etc. without charging, and who expect support in the elections." The same list also includes Flavio Rocha, presidential candidate for the Liberal Party. The budget CPI, including its PT members, then decided not to take into consideration the mentioned Odebrecht documents. Meanwhile, through his advisers, Senator Marco Maciel denied that he had received donations from Odebrecht. The fact that his name is mentioned in the company documents could simply be an unsubstantiated claim by the company, Maciel advisers said. Proof of this is that the CPI decided that there was no "incriminating element" against Maciel in the document. Maciel's advisers recall that the CPI's decision was approved even by Jose Paulo Bisol, who was responsible for the investigation. The Odebrecht company does not acknowledge the documents confiscated from the house of its director. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Aug 94 Special Section p 5)

Orestes Quercia, PMDB presidential candidate, is not well accepted in the southern states. In Parana the PMDB mayors and state deputies avoid linking their names with Quercia's. The Rio Grande do Sul branch of the PMDB rejects Quercia, and is discussing which of the presidential candidates it will support. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Jun 94 p 4)

Former President Ernesto Geisel's confirmation that the military regime saved Orestes Quercia from having his

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political rights suspended and assets seized by the General Investigating Committee has given PMDB members a sensation that Quercia's candidacy is seriously endangered. PP President Alvaro Dias, who is a gubernatorial candidate in Parana State, said that he was not surprised at Geisel's comments, as he "already had formed a definitive opinion of Quercia." (Sao Paulo O ESTADO DE SAO PAULO 30 Jul 94 p A7)

National Reconstruction Party (PRN) presidential candidate Walter Queiroz, who has been expelled from his party for "disobeying party principles," has obtained a favorable preliminary ruling from the Superior Electoral Court to continue in the race. Queiroz will file a petition for an injunction, alleging that the PRN expelled him because he refused to praise former President Collor. This means that Queiroz would meanwhile continue to be the PRN candidate. (Sao Paulo AGENCIA ESTADO in Portuguese 1207 GMT 5 Jul 94)

IBOPE conducted an opinion poll among 1,000 voters of Parana State from 20 to 26 July. The poll indicates that if the Parana gubernatorial election were held now, PP candidate Alvaro Dias would obtain 46 percent of the votes; Democratic Labor Party (PDT) candidate Jaime Lerner would obtain 33 percent; PT candidate Jorge Samek and Jose Antonio Cardoso of the Liberal Party would tie for third place, with 1 percent each; while blank and voided votes and undecided voters would total 19 percent. (Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Jul 94)

A Vox Populi poll conducted from 22 to 27 July indicates that in six Brazilian states the gubernatorial elections would be decided in the first round. If the elections were held today, 1 August, Tasso Jereissati, of the Ceara PSDB; Mario Covas, of the Sao Paulo PSDB; Helio Costa, of the Minas Gerais PP; Antonio Britto, of the Rio Grande do Sul PMDB; Jaime Lerner, of the Parana PDT; and Miguel Arraes of the Pernambuco Brazilian Socialist Party would be elected in the first round. The poll was conducted in nine states and the Federal District, where Valmir Campelo (PTB) has a chance of being elected in the first round. The poll results indicate that increasing support for Cardoso, and Lula's drop in popularity, have not produced a direct effect on the state elections. In Bahia State, gubernatorial candidate Paulo Souto (PFL) came out even with Joao Durval (National Mobilization Party), both with 24 percent of voter support. In Parana State, Jaime Lerner (PDT) has greater support than Alvaro Dias (PP). (Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Aug 94 p 1)

The electoral polls for the state campaigns clearly show that the voters do not want new adventures, but candidates who have already been tested in the administration and have left good impressions. This explains why former governors and mayors are well ahead in the polls in voters' preferences. The following former governors are favorites in their states: Amazonino Mendes (Amazonas), Jarbas Passarinho (Para), Tasso Jereissati (Ceara), Miguel Arraes (Pernambuco), Divaldo Surugay (Alagoas), Max Mauro (Espirito Santo), Alvaro Dias (Parana), Wilson Martins (Mato Grosso do Sul), and Siqueira Campos (Tocantins), beside former Mayors Mario Covas (Sao Paulo), Dante de Oliveira (Mato Grosso), and Marcello Alencar (Rio de Janeiro). Other favorites, who have not formerly held posts, are: Jackson Barreto (Sergipe), Garibaldi Alves (Rio Grande do Norte), and Antonio Britto (Rio Grande do Sul). According to poll analysts, administrative experience is considered essential to voters in making their decisions, and what they want now is to see "benefits and improvements." (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 94 p A6)

Sivam Amazon Radar Surveillance System Described

94WS0461A Sao Paulo TECNOLOGIA E DEFESA in Portuguese No 59, Mar-Apr 94 pp 46-51

[Article by Cosme Degenar Drumond: "The Eyes of the Amazon Region"]

[Text] *The implementation of the Sivam [Amazon Region Surveillance System] is Brazil's greatest challenge at this century's end.*

Finally, the Amazon Region will be occupied: by Brazilians, of course, and in a peaceful, coordinated manner. The invasion will be made by physicians, ecologists, biologists, agronomists, engineers, researchers, and technicians under orders from the Union, state, and municipalities. Midway in their progress, the contingents will receive reinforcement from more civilian specialists. The mission of this battalion of professionals and experts is to combat the increasing deterioration of the local environment and to promote the sustainable development of that green continent. Leading edge technology will help to more clearly define the limits of the national sovereignty in the region. In short, this is the strategy that the federal government intends to trigger in the Brazilian Amazon Region, backed by the Amazon Region Surveillance System: the so-called Sivam Project.

The Government's Goals

According to the assessment made by Minister Mario Cesar Flores, of the Secretariat of Strategic Affairs, the organ responsible for managing the program, the Amazon Region is a human vacuum, a power vacuum, and a muddle that needs to be controlled. The minister further claims that crime is soaring in that region. With the Sivam, the government intends to put an end to the long-standing problems of irregularities occurring there. It is an ambitious proposition, considered highly sophisticated from a technological standpoint, but fundamental according to the government. After its implementation, a complex network of information and detection will make meticulous control over the territory possible, thus facilitating the state's intervening action.

Through this undertaking, it will become easier in the region to support the activities for sustainable development, monitoring of the environment, sustainable

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exploitation of its biodiversity, ecological and economic zoning, occupation and use of the soil, protection of Indian reservations, surveillance and control of borders, support to navigation, and both air and surface surveillance. The work will be coordinated by the Amazon Region Protection System (Sipam), and executed by the Amazon Region Surveillance System (Sivam). The government's action also will have the Armed Forces' participation available (after all, this is a region classified as a strategic one for the nation). However, what it has least is a military connotation, assures Minister Flores.

The program acronyms are quite similar, and could cause difficulty in interpretation. However, the functions are different, although they converge in a common objective. The Sipam is responsible for planning coordinated emergency action, and will contribute by generating logistical and infrastructural solutions, so that all the results will be successful. Moreover, it will lend support to the development programs, giving an incentive for research on new technologies for application in the region. To attain the desired results, the Sipam will use a combination of technical resources. It is there that the Sivam enters the scene: with a modern, high-tech project for control and management of the Amazon Region.

Starting with this, new geographical data will be collected, with complete, detailed mapping of the entire Amazon Region. The system will use a primary and secondary radar network, essential for air traffic security, and for identifying and intervening in clandestine flights. This radar network will be comprised of mobile stations (with three-dimensional resources as well). The AEW [Airborne Early Warning] aircraft will participate in the environmental monitoring, complemented with data provided by satellites and by the data collection network on earth. Nothing will escape the eyes of the technology used. All the information will be made available in a dynamic data bank, for the generation of specific pictures of the situations.

To permit the Sivam's desired performance, the government divided the Amazon Region into three operational regions. Each of these regions will have a center responsible for the integration of the data and the dissemination of the information. The user organizations will be integrated by the remote centers and organs, appropriately dispersed.

Structure

The Sivam General Coordination Center (CCG) will be located in Brasilia, simultaneously connected to the three Regional Surveillance Centers (CRV), in Manaus, Belem, and Porto Velho, and to the Remote Organs distributed throughout the Amazon Region. The combined data and information collected will make it possible to plan strategic and emergency action by the authorized entities, with a view toward implementing the policy and programs for the Amazon Region. The execution of the activities will be coordinated by the CRV, through their Coordination Sub-Centers. The Operations Sub-Center (SCO) is responsible for managing the technical resources concentrated in the region of each CRV, and for technically managing the processing and visualization of the data collected by the Remote Organs. All the information processed on the regional level will now be available in the Coordination Sub-Center (SCC).

The CRV, in the capacity of an information concentrator center, will maintain data banks and images of its area of coverage. It will have resources for telecommunications, processing, and visualization of data from the remote sensor system by satellite, radar surveillance, meteorological information, communications monitoring, as well as general information. Each regional organ involved, whether federal, state, or municipal, will carry out its activities in an integrated manner, through the SCC; however, it will maintain its identity, autonomy, and independence, according to its functions.

The Remote Organs will collect and send information to the corresponding CRV, lending support for local activities. They will be linked to the CRV through the National Telecommunications Service (SNT), or through stations established by the Sivam; and may also furnish facilities for shared use of the telecommunications media to a local community.

Intelligence

The principal characteristic of the Sivam lies in the resources for processing and visualizing data and images placed at the disposal of the users. The structure adopted (with open architecture) was devised to allow for easy incorporation of new functions or the addition of new users to the system. Through these resources, the local situation will be known, based on the merger and superimposition of information of interest, that is: ranging from data from the remote sensor system, meteorological and environmental data, reports on clandestine communications, and radar-runway data (aircraft or vessels), to general information provided by the system's users.

That combination of data will be processed, presented, and stored for subsequent consultation, forming a constantly updated base. The integration of the information will support the user organ in activities requiring prompt response, such as combating focal points of forest fires, and regional air traffic control. The visualization will make it possible to identify the sites of irregular or illicit activities. This will be accomplished by observation and analysis of the situation, and its comparison with the data collected.

Sensor System

The entire Amazon Region will be covered by a permanent surveillance, through the remote sensor system by air or satellite. The imaging system will be multispectral, making identification, control, monitoring, and operation possible in activities such as: support for sustainable

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development projects, mapping of deforestation and pollution of watersheds, identification and control of fires, occupation and use of soil, cyclical changes in urban communities, classification of flora and evaluation of their condition, and monitoring of water resources and of the rainfall distribution system. Other activities included are thermal mapping and thermal stress studies, weather forecasts, identification of clandestine landing strips, control of gold prospecting operations, and identification of plantation areas being used for drug trafficking.

The remote sensor system will use images generated by satellites (LANDSAT, SPOT, ERS-1, NOAA, and GOES). Starting in 1996, with the launching of the CBERS-1, it will use the images from the Sino-Brazilian satellite as well. The remote sensor system will use radar imaging obtained from sensors installed in surveillance aircraft. The satellite images will be procured by the National Institute of Space Research (INPE), whose cooperation will be provided insofar as required by the Sipam. The analyses of images will be made in the data processing and visualization units, which will also engage in soil mapping and preparation of cartographic plans.

Monitoring

The knowledge and monitoring of the Amazon Region's environmental parameters are essential to the region's sustainable development. For this purpose, there will be an integration of networks of data collection platforms which, complementing the remote sensor system information, will afford users access to data relating to the environment in general, hydrology and metrology, as well as environmental pollution.

In addition, an individual meteorology network comprised of radars and sensors will be used. The information will aid in the observation of the region's meteorological status, and in forecasting work and climatological studies.

In the communications area, the limited infrastructure currently existing in the Amazon Region requires them to take place, basically, through radiocommunications. Owing to the large territorial expanse, most of them are achieved on the HF band and, with a few exceptions, on VHF and UHF. One way of identifying and locating irregular activities is through the monitoring of those communications.

The Sivam communications operational network will be composed of fixed stations, complemented by transportable and mobile airborne stations. This equipment will supply the data which, when processed, will allow for the exact siting of radio bases supporting irregular activities. This information, associated with that obtained by the other sensors and supported by systems specializing in aid for decision-making, will be used to assess the situation. With this, the organs responsible for combating irregular activities will be able to operate more effectively.

Air and river transportation are the basic means of support for the activities carried out in the Amazon Region. Consequently, the surveillance of air and surface movements will be supported by the long-range radar detection network. The network will cover border regions and areas considered sensitive. In the case of non-sensitive regions, the use of radar will help to increase air traffic safety. Sections with a high level of incidence of air and surface movement of a suspicious nature receiving insufficient coverage by the fixed stations will obtain support from the transportable stations.

Radar Detection

On sites with difficult access, where there is no radar coverage, the surveillance work will be done by the mobile stations installed aboard turboprop planes of the AEW type. The government opted for this type of equipment because the planes used for illicit activities in the Amazon Region are usually of small size and slow, flying at low altitude. The visualization of the information obtained from the processing of data from the radar surveillance will be made available locally and in the pertinent Regional Surveillance Centers.

Telecommunications

The user organizations will be served by an integrated communications network based on the concept and technology of the Integrated Services Digital Network (RDSI). The system will provide telephony services, texts, images, and data, aimed at the coordination, control, administration, and logistical support of the Sipam. Although it uses a single equipment base (Switching Center) as a support for all the services, to provide the user with better quality and flexibility, the subsystem will consist of several independent communications networks. The telecommunications media will support the other technical resources comprising the Sivam.

The work to establish the Sivam has been planned to begin during the second half of this year. The program for this first phase is budgeted at $1.2 billion, a considerable volume of funds. Its implementation will occur gradually, and it must be fully consolidated within an estimated period of five to seven years.

Be that as it may, the preservation of the largest and richest tropical forest in the world certainly should have no price, especially if the nation were viewing it directly. Moreover, it must exert itself to prevent the enterprise from becoming lost in time or left behind.

[Box, p 50]

ESCA in Sivam

Given the strategic importance of the Sivam to the nation, when the project was conceived it was decided that a national company should have the technological control and responsibility for integrating the various parts of the system supplied by other countries, national

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or not. Thus, any future modification or expansion of the system will be under the control of Brazilian industry.

The government made an evaluation of several firms. Finally, ESCA [Automation and Control Systems Engineering] was selected as an integrator of the Sivam, in view of its performance in various fields in the past, most particularly as a systems integrator, and also because of its experience with the Siscea (Brazilian Aerospace Control System) and other projects and undertakings of a size and complexity comparable to those of the Sivam.

According to the president of ESCA, Steve A. Ortiz, the company's role, once the supplier of the equipment has been selected, will be to work jointly to implement the system in all its phases, ensuring the technical homogeneity, full operativeness, and overall performance of the system.

ESCA will engage in activities ranging from a survey of the requirements of the user organs active in the region, functional details of the system, details and compatibility of the subsystems' interfaces, preparation and management of the quality guaranty plan, execution of projects, supervision of installations, technical and operational integration with the centers, management of technical documentation, and follow-up of personnel training, to the tests of final integration and operativeness of the system.

The company also will be reponsible for developing the specific applicational software, in which the system's intelligence will be located. It will develop and apply new technologies in an integrated fashion throughout the execution of the work. Thus, the company is in a position to provide technologically updated solutions, not only during this initial phase of the project, but also throughout the subsequent phases of change and updating of the system. The integration and operativeness of the three Regional Centers (Manaus, Porto Velho, and Belem) will be left to ESCA, as will the technical assistance after operations are initiated in the centers. Moreover, the company will provide the training of the operators for the system as a whole.

With the implementation of the Sivam, the activities occurring in the Amazon Region that are damaging the environment (such as pollution of rivers with mercury, entailed by gold prospecting) will be identified and gradually cleaned up. Air accidents will be possible to avoid or rapidly detected, accelerating rescues, thanks to the modernization and expansion of the air traffic control system. The Amazon Region as a whole will be supplied with resources currently non-existent in the region, preventing conflicts detrimental to the local population, and furnishing timely information to civil defense units, so as to make action possible in cases of heavy rainfall, floods, storms, etc. The program will operate in the area of support to river navigation and control of endemias and epidemics, as well.

Hence, the government's goal is to integrate the so-called Legal Amazon Region with the rest of the country, ensuring organized development of the region in a beneficial manner, settling humans through suitable infrastructure, and offering them conditions for development. In short, its aim is to create a sustainable development, with orderly growth, and control of pollution and of predatory deforestation, so as to make the Amazon Region's socioeconomic development possible.

[Box, p 51]

Sivam Finalists

At the close of this edition, the partial results of the international bidding competition for the supply of technological equipment intended by the Brazilian Government for the implementation of the Sivam were released. The proposals of the entrepreneurial groups, Raytheon Corporation, of the United States, and Thomson-CSF, of France, have been rated. The two industries are now entering the final phase of evaluation.

Raytheon has had a longstanding penetration in the civilian and military markets. It is one of the largest manufacturers of military equipment in the world, and the fifth largest supplier of the U.S. Armed Forces ($3.2 billion in 1993). In the radar field, it won bidding competitions in Europe and India, with billing of approximately $8.7 billion. Thomson-CSF has already been a supplier of Brazil, in the field of technology for air traffic control. It is an active participant on the international market. Last year, its total billing was approximately $11.5 billion, with 60 percent accrued abroad.

Land Official Denies Invading Bolivian Territory

PY1608023594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 94 p A4

[Text] Porto Velho—The INCRA [National Land Reform and Settlement Institute] office in Rondonia has reported that it has no information about an invasion of Bolivian territory by Brazilian citizens. The Bolivian Agrarian Reform Institute charged that the Brazilians had invaded more than 500,000 hectares of Bolivian land. Joel Mauro Magalhaes, the INCRA chief for land resources in Rondonia, has stated that the charge has not been substantiated.

Chile

Figueroa on Environmental Issues on NAFTA

PY1208221094 Santiago ESTRATEGIA in Spanish 4 Aug 94 p 9

[Text] Analyzing the possibility of commercial negotiations with the United States, Chilean Foreign Minister Carlos Figueroa said the government "will not yield to those who want inadmissible environmental or labor clauses in agreements of this kind."

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The foreign minister lectured yesterday afternoon to the Chilean Council for International Relations on the country's instatement in the world.

Referring to NAFTA, Figueroa said the government is firmly committed to the defense of the environment. He said: "For the first time in our history we are establishing a long-term environmental policy." He added that the country can rest assured that the government will negotiate with great prudence and will not yield to environmentalist or labor pressures.

He said: "Our great advantage is that NAFTA does not represent a vital issue for our economy. The advantages are great, but a delay in negotiations will not slow our economic growth nor change the macroeconomic stability we are already enjoying."

Figueroa said "it is clear" that negotiations of that type will prompt some problems but added that "the government will firmly include in the negotiations all mechanisms to reduce negative effects and will allow a gradual adjustment of those sectors most vulnerable to the new conditions generated by NAFTA. We hope for a gradual and painless transition process."

Commenting on Mercosur [Common Market of the South], Figueroa said Chile wants an expanded economic space that will allow the free circulation of goods, services, and productive factors. He admitted that Mercosur does not contemplate an associate member, but stressed that the "open and progressive nature" of the group, the experience of other integration models, and the strong economic and political ties with those countries are very powerful arguments.

He stressed a desire to participate in those political and technical aspects of Mercosur which might be considered opportune.

Concerning relations with Europe, the foreign minister said the country is looking for tighter relations with the EU [European Union]. He said a rapprochement strategy is being developed to combine actions within the EU with negotiations with all member countries.

He remarked that the choosing of two countries with close ties with Chile—Germany and Spain—to successively hold the EU Presidency "is beneficial for us."

Investment Accords Negotiated With East Europe

PY1608035694 Madrid EFE in Spanish 2100 GMT 12 Aug 94

[Text] Santiago, 12 Aug (EFE)—Chile is negotiating agreements for the protection of investments with Poland, the Czech Republic, Hungary, and Romania. This was disclosed by Carlos Klammer, head of the Foreign Ministry Department for European, African, and Asian Affairs, after he returned from a tour to those four Eastern European countries.

Klammer headed a commercial mission of the Chilean Foreign Ministry that had the function of solidifying the existing relations with those four countries and exploiting the possibilities of joint investments and cooperation in various fields.

Klammer said that Eastern Europe views Chile with great interest due to its negotiations with the United States for a free trade agreement and its links with the Common Market of the South (Mercosur).

Klammer noted that the East European countries represent a market of 400 million people, to which the former USSR contributes 190 million.

Klammer said that during his visit to Hungary, Romania, Poland, and the Czech Republic special cooperation fields were detected, such as the management service networks, especially in the banking and social security systems, which have experienced great progress in Chile.

He also said that cooperation in the informatics field is possible. Chile may contribute with its developments in the computer programming and systems fields, while those countries may contribute with their computer technology.

He added that Romania may also grant Chile mining technology, while Hungary has biotechnology that may be applied in the agricultural and agroindustrial field.

Minister on Rumors of Arbitration With Argentina

PY1208220494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 12 Aug 94

[Text] Foreign Minister Carlos Figueroa said today that everything concerning the Laguna del Desierto case is under strict secrecy. He pointed out that if there are any leaks, the person responsible will be dismissed.

[Begin recording] [Reporter Jose Ignacio Aguirre] The meeting at the office of Defense Minister Edmundo Perez Yoma lasted two hours. Carabineros Chief General Stange tried to prevent any suspicion by emphasizing the cordiality of the meeting. He noted that institutional relations with the government have always been normal. The Carabineros command listened to addresses by Foreign Ministry officials Javier Illanes [Border and Limits National director] and Eduardo Vio [Legal Affairs director], who defended the Chilean view in the Laguna del Desierto case which is being studied by an arbitration court. The Carabineros expressed satisfaction with the Chilean defense. Foreign Minister Carlos Figueroa emphatically told reporters that information being given to the state institutions on this case is secret. He said there can be no rumors about a possible decision because the national interest is at stake.

[Figueroa] If rumors circulate from an official source, the offending official would at least lose his career in the institution and be out of the government.

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[Reporter] Figueroa concluded that new informational meetings with state institutions will be held and that the information is being kept strictly secret. [end recording]

Colombia

Defense Minister Remarks on Domestic Issues

PA1308003494 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 Aug 94

[Telephone interview with Defense Minister Fernando Botero Zea by Caracol News Director Dario Arizmendi; place not given; from "Caracol's 0600 to 0900" newscast—live]

[Text] [Arizmendi] Are there any leads or clues to the individuals who have executed or planned the murder of Patriotic Union [UP] Senator Manuel Cepeda?

[Botero] I am still unable to comment on the individuals who have planned this murder, because it would be inappropriate to say anything at this time, but I can say the investigation is proceeding satisfactorily. There are some very significant leads, and there has been progress on the visual identification of the individuals who have executed the crime; in addition, we are relatively confident—and I want to be very careful in this point—we will be able to determine in the next few days the identity of the individuals behind this crime, which has shaken Colombia.

[Arizmendi] What is the real explanation behind the bodyguards he should have had with him?

[Botero] The real explanation, as has already been stated in a joint communique signed by the government and defense ministers of the previous administrations, is there were certain bodyguards for some time now whom Dr. Cepeda personally selected. These bodyguards had been trained and were financed by the DAS [Administrative Department of Security]. As such, these bodyguards were on the DAS payroll but were assigned to Dr. Cepeda's personal security.

[Arizmendi] Isn't it rather odd to have one bodyguard, especially after all the threats received by members of the UP and Communist Party of Colombia [PCC]? The threats were reported during the previous administration.

[Botero] Yes. The number of assigned bodyguards was insufficient most surely. The truth is, these types of incidents occur, and we deeply deplore them, but it is important [words indistinct] the service was being offered, although not under the full conditions that were obviously needed.

[Arizmendi] Considering the current circumstances, will the state provide additional security to the other three UP representatives and PCC leaders who have requested bodyguards?

[Botero] I am scheduled to meet today with a high-ranking UP leader whose name I do not want to disclose at this time, but we will discuss most certainly during the meeting issues related to security needs, especially now on the eve of an election campaign; that could represent a risk. As President Samper said yesterday, the government is more than willing, interested, and clearly inclined to offer any protection under its disposal to the UP representatives, as well as other political leaders who may be confronting high risk situations.

[Arizmendi] The newspaper EL TIEMPO reports on the front page of today's edition exploratory contacts held by new Government Minister Horacio Serpa Uribe with Francisco Carabano, head of the EPL [Popular Liberation Army] guerrillas, about three weeks ago. The newspaper also reports a failed meeting between Serpa and Francisco Galan in a house here in Santa Fe de Bogota. How extensive have these meetings been? Were you aware these meetings were going to take place? Was President Ernesto Samper aware of these meetings? Will a meeting between Francisco Galan and the defense minister or the high commissioner for peace finally come through?

[Botero] This issue is a very [word indistinct] and difficult one. I would much rather you asked Dr. Serpa, who is the person responsible for having arranged or not arranged those contacts you mentioned.

[Arizmendi] There is much concern in the country to learn the official version of what is taking place with the public force in Cali and Valle del Cauca Department. The Search Bloc commander has been involved in a sex scandal that is possibly related to espionage. There are numerous cases of police agents, junior officers, and high-ranking officers linked to the receiving of payoffs from the Cali Cartel. What is really happening?

[Botero] I am quite certain the country has been aware of, for some time now, the enormous problems taking place in the department of Valle del Cauca. Internal problems within the Valle del Cauca police have also been disclosed, unfortunately. This matter is one of great concern to me. I have asked General Vargas for a complete report on this situation. We will [words indistinct] today, and I have asked, at the same time, to be informed as soon as possible [words indistinct] under General [name indistinct] of the National Police in order to adopt urgent measures within the next few days, which will be announced in due time.

[Arizmendi] Fifty-nine Cali police members are already implicated, including 17 officers and junior officers, and many other agents according to investigations. This situation harms the image of the institution, given many of its members are involved, because it is not a small number. Are the police commanders affected?

[Botero] We must clearly separate the institution from the behavior of some of its members. I believe the police have been doing a great job, for quite a while, to the benefit of the country.

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The police have paid a high cost in the struggle against drug trafficking. More than 3,000 policemen died in the struggle against drug trafficking and the Medellin Cartel. I believe those figures reflect the institution's commitment to this task, which is of great importance for Colombia and the entire world.

There are, of course, very serious problems with the police in Valle del Cauca; the public is aware of that. It is clear, however, the new government President Samper and my office are firmly committed to taking the bull by the horns and assuming [words indistinct] as I said before we are going to meet with General Vargas today, and we will make important announcements in the next few days on the new strategy to handle the problem within the Valle del Cauca Police, which is a matter of great concern for Colombians.

[Arizmendi] Aside from the testimony given last night by Mary de a Vega implicating Colonel Carlos Alfonso Velasquez, Cali Search Bloc commander, which was aired during the "24 Hours Newscast," and aside from the sensational, morbid, and sexual tone given to this case, would you agree it is very serious and reflects on the institution that the top official in charge of the unit responsible for conducting very complex activities can be photographed, filmed, followed, without anyone detecting it?

[Botero] This is also a very serious matter. An investigation, which I do not want to hinder or obstruct, is going on. We must differentiate between two points. One point is the professional conduct of an officer who may have leaked information, and another point is the personal conduct of that same officer.

I believe we can reach the conclusion, by separating the two conducts, that it could be a fabrication based on an officer's personal conduct to affect his professional capabilities or future. I believe we must separate the two conducts. There is reason to believe this has been fabricated, a possibility we are investigating.

We know [words indistinct] has played an important role within the institution for many years; we know he has been an honest and reliable officer. I believe his past performance should be considered now, particularly because this officer has played a very important role in the successful activities against the Cali Cartel so far.

[Arizmendi] Taking into consideration the case of Colonel Velasquez and other officers in the struggle against terrorism and organized crime, [words indistinct] of urgently creating a broader intelligence center within the Armed Forces or Colombian state security?

[Botero] That point is one of the new government's main priorities. President Samper mentioned that subject in his inaugural speech and during his electoral campaign. It is vital for the country to develop a more efficient intelligence system, which will be more acute in its analysis and more [words indistinct] with the information it gathers. To achieve that goal, we are implementing a plan that not only involves intelligence agencies under the Defense Ministry but, in general, all the intelligence agencies [words indistinct] within the government, as well as in control institutions.

[Arizmendi] You said in the case of Velasquez, the Search Bloc commander, we should separate his private life from his professional life, but don't you believe a man with such a great responsibility should have a flawless private life?

[Botero] I would rather not comment on that matter. There is an investigation under way. I must say, however, no evidence has been found so far confirming security information is being leaked stemming from his private life; on the contrary, there is reason to believe this entire matter has been fabricated to discredit Velasquez and remove him from his activities as head of the Cali Search Bloc.

[Arizmendi] Velasquez said in his statement during the "24 Hours Newscast" last night a politician invited him to a meeting with Cali Cartel chiefs. For the good of the nation and to clarify this matter, could you ask Velasquez to state the name of the politician who invited him to a meeting with the Cali Cartel chiefs?

[Botero] I have not discussed this particular subject with Velasquez. Naturally, it is a very important matter. I will meet with him during the next few days to discuss these subjects in general and the activities taking place in Cali.

[Arizmendi] Even though this matter does not directly concern you, I would like to ask you this question. President Samper Pizano granted an interview approximately eight days ago to the U.S. magazine TIME in which he said there are approximately five to six Colombian congressmen [word indistinct] by the Cali Cartel. Because you are responsible for national security, may I ask you whether you already have the names of those congressmen mentioned by the head of state?

[Botero] No. I do not have the names. The subject of the drug cartels' infiltration of Congress and all the institutions in general is a tremendous concern, because we cannot simply talk about Congress alone. This infiltration has reached many other institutions. It is a well-known fact, and, of course, it is also a matter of great concern for the Defense Ministry and security forces.

[Arizmendi] Does the new government's peace policy contemplate an interview by the government minister or the high commissioner for peace with Francisco Galan or Francisco Caraballo?

[Botero] I have no knowledge of that.

[Arizmendi] Will the Defense Ministry coordinate these actions with the Government Ministry and the high commissioner for peace?

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[Botero] We need to coordinate this matter [words indistinct] we will meet with Carlos Hommes Trujillo and the high military command maybe tomorrow or Friday to hear intelligence reports on the public order situation and also to coordinate joint actions. I believe it is very important for the success of the peace policy to maintain close relations between the activities of the Defense Ministry and the activities of the high commissioner for peace, as well as the justice and government ministers.

[Arizmendi] In deploring the death of Manuel Zepeda, the UP has demanded changes in the military (?and police) commands [word indistinct] that UP request?

[Botero] [Words indistinct] in letters signed by him, former Minister Rafael Pardo sent letters to the prosecutor general. The UP has accused certain military leaders or the top military command in general. Pardo requested evidence at that time in order to conduct an investigation, but we have not received any evidence. We cannot accept those charges as long as we do not have evidence and the names of the individuals supposedly involved, because there would be no grounds to order an investigation.

[Arizmendi] What information do you have on a private justice group that emerged in Medellin and announced it would kill leftist leaders?

[Botero] We have certain intelligence information that we are investigating about this new group called Colombia Without Guerrillas. We are trying to determine the places where it operates in order to confirm whether this group is related to acts of violence that have occurred in the past few days.

[Arizmendi] The director of the Administrative Department of Security, Fernando Brito, retired the day before President Samper assumed the Presidency. When will we know the name of his successor?

[Botero] I believe this will be defined in the next few days. This position is a very important one [words indistinct] in the country's security efforts, as it is closely related to the Defense Ministry.

[Arizmendi] Will he be a civilian?

[Botero] I believe so, but we must ask the president.

Comments on 'Narco-Corruption'

PA1608020994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 13 Aug 94

[Interview with Defense Minister Fernando Botero Zea by Chelo Garcia at the Defense Ministry in Santa Fe de Bogota; date not given; from the "Cripton Newscast"—recorded]

[Text] [Garcia] The drug cartels' infiltration of security organizations has caused the government to adopt the most severe measures in the past few years in order to combat and end so-called narco-corruption.

We are with Defense Minister Fernando Botero Zea. Mr. Minister, we are virtually passing from narcoterrorism to narco-corruption. To prevent the recurrence of cases such as the one mentioned lately of the infiltration of Cali Cartel members in the Cali police, you mentioned three general aspects to prevent that from happening again.

[Botero] Regarding sanctions, we stated today, along with General Octavio Vargas, National Police director, a disciplinary emergency for the Cali police. We have established a 60-day period so an interagency group consisting of the Attorney General's Office, the Prosecutor General's office, and the police commissioner can conduct an investigation to determine the extent of the narcotraffickers' infiltration of the Cali police.

We believe honesty as well as fulfillment of duty must be awarded. We are creating incentives that include wage readjustments, housing facilities for policemen, and other benefits; that is, an award for honest behavior, which characterizes the immense majority of Colombian policemen.

We are also creating the post of police inspector general, to which great importance will be attahced. This person will be able to carry out investigations and be able to assess on the spot how the situation is developing.

A special, secret, anticorruption corps will be created. Its members will be trained especially in the struggle against corruption and will be present in the different units of the various sectors of the police throughout the country.

Orders Creation of Human Rights Offices

PA1308034694 Santa Fe de Bogota EL TIEMPO in Spanish 7 Aug 94 p A-22

[Report by Clara Elvira Ospina]

[Text] The topic of human rights protection has reached such a critical point and such a level of priority that Defense Minister Rafael Pardo Rueda has ordered, only three months before leaving his post, the creation of human rights offices in all military garrisons.

The program will be coordinated primarily by the Human Rights Office, which falls directly under the Defense Ministry, whose chief has assumed what appears to be the post of "human rights ombudsman."

He must maintain an updated account of what is happening and must ensure that follow-up investigations are carried out.

The Human Rights Office has three fundamental missions. The first is to create a data base with information available to state and nongovernment organizations on human rights violations, both civilian and military. In

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this manner, reliable and updated information on human rights will be available.

Its second mission is to promote among members of the Armed Forces rules on human rights protection, their obligations, and rights.

The Human Rights Office has been promoting for several weeks training courses for officers, noncommissioned officers, and training instructors. The office has prepared several drafts promoting the defense of human rights.

Last—this point would appear to be its most important—the office is in charge of human rights offices in all military and police garrisons in the country.

Such offices are charged with receiving and processing complaints about human rights violations, not just against civilians but also against military personnel.

Such investigations will be handled, according to defined structures, by the Human Rights Office and the inspector general of each branch of the Armed Forces.

The first challenge of the new office, as Pardo and his advisers understand it, will be to create confidence among the people and demonstrate that all cases, without exception, will be investigated. In addition, offenders will be brought to trial whenever there is evidence, regardless of the level or rank of the accused.

Such offices are now in operation. Not many complaints have been received so far, but the Defense Ministry and military garrisons hope to be informed of any human rights violations.

Establishing human rights offices in military garrisons is part of a strategy worked out by Pardo in several stages and decisions.

Pardo's work on human rights has resulted in a favorable concept whereby the government signed the II Protocol of the Geneva Agreement, which obligates the conflictive parties to respect rules of humanitarian international law.

The draft protocol signed by the state is in the hands of Congress, which has the mission of studying and approving it.

Similarly the Defense Ministry issued Directive No. 17 in August 1993 reminding troops it was indispensable, following the lifting of the state of internal disturbance, to maintain the principles of respect of the humanitarian international law.

In it Pardo reminded the troops of conduct prohibited not only by international law but also by Colombian justice include: intentional homicide; torture; inhuman and degrading practices; the taking of hostages; illegal arrests; illegal deportations; and the depriving of the right to a fair and legal trial.

The directive also established clear-cut orders on the promotion of human rights, precepts of the Constitution, and rules of conduct for military personnel.

What can be viewed as the final action of this administration in human rights occurred on 4 August. The minister mentioned a critical topic for the Armed Forces. He issued a permanent directive reminding troops that nongovernment human rights organizations are legal and that there should be a profound and serious knowledge of such organizations

Thus, shortly before leaving his post, Pardo has assumed a commitment with those organizations, seeking to reach a path of mutual respect among military personnel and defenders of human rights.

Many now believe one of the main challenges for Fernando Botero Zea, the new defense minister, is to ensure the progress of the Human Rights Office, which is beginning to yield its initial fruits.

Botero will have a specific mission in that respect: to respond to international reaction generated by charges of human rights violations in Colombia as voiced abroad and to end the blockade in matters of military cooperation.

Commissioner Interviewed on Peace Process

PA1608044894 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT

[Telephone interview with Carlos Holmes Trujillo, High Commissioner for Peace, by Caracol News Director Dario Arizmendi in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast—live]

[Text] [Arizmendi] This morning, Carlos Ruiz disclosed something the country did not know. He said the former defense minister—not acting as a minister at the time, however—visited Cali and talked to the Rodriguez Orejuela brothers, whom he briefed on the policy of submitting to justice. Do you know anything about this?

[Holmes] No, Dario, I do not know anything about this. I am very interested in talking to the former defense minister, not about [words indistinct] but about the peace policy that [words indistinct].

[Arizmendi] Are you interested in learning from the previous administration about the peace process—a process for which you have been given responsibility and on which you must render an initial report within 100 days?

[Holmes] I am at a stage [words indistinct] presented by President Samper's proposal. I have been gathering detailed information [words indistinct] on the range of duties assigned to me. I have stated that the 100-day deadline is not [words indistinct] President Samper to make peace or to [words indistinct] but to give an initial report to the country. Of course, I am most interested in meeting with those who in the past have been responsible for advancing this process. I want to hear their opinions and learn from their experience.

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[Arizmendi] Have you or do you plan to listen to spokesmen, contacts, or people who might have some type of friendship or interest in furthering the possibility that the guerrilla groups would enter a new negotiations process with this government?

[Holmes] This has not yet been done, Dario, but, of course, I expect to do so within the first 10 days or so, because this, of course, will determine the terms of the report I will render to the nation.

[Arizmendi] It has been reported that Government Minister Horacio Serpa Uribe visited--as a private citizen, of course—Francisco Caraballo [leader of a dissident group of the Popular Liberation Army] several weeks ago and that he intends to meet with Francisco Galan [Army of National Liberation commander, alias Gerardo Bermudez Sanchez]. Do you plan to meet with Francisco Galan?

[Holmes] Nothing is being ruled out, my dear Dario. The truth is that nothing is being ruled out. However, we are currently in a preliminary phase, complying with [words indistinct] of President Samper [words indistinct], we are identifying the wishes of various sectors of society, and, of course, we are waiting to see the [word indistinct] movement's reaction.

[Arizmendi] [words indistinct] duties would be compatible with the appointment of a commission or representatives from different sectors of society who are interested in facilitating a dialogue with the guerrilla groups?

[Holmes] No. You must recall that one of my duties, if the situation we are talking about does indeed occur, is to prepare a preliminary agenda for negotiations. Nevertheless, this is not the time to sell [words indistinct] because the previous stage was very well-defined by our [words indistinct]. The goal of this phase is to assess the situation and, of course, to contribute to the creation of a favorable climate in which we could conduct a solid, lasting, and stable renegotiations process within the context of President Samper's call for a useful dialogue.

[Arizmendi] Dr. Holmes Trujillo, several groups have claimed that the terrorist attacks occurring over the past several weeks were part of a guerrilla plan called Farewell to Gaviria and [words indistinct] to await the new government. It was sort of a unilateral truce to determine whether conditions really exist to sit down at the bargaining table.

[Homes] My dear Dario, the truth is that [words indistinct] has not contributed at all to the creation of a favorable climate for future negotiations. The guerrillas' actions do not contribute to this whatsoever. In fact, just the opposite is true.

Actions, such as the reprehensible murder of Senator Manuel Cepeda, must be seen as deeds that worsen the situation and do not advance the necessary climate. This is why the president told the nation that the next few weeks would be used to assess the situation and to create the necessary favorable conditions.

In reality, what the president wants to determine is whether the situation or the conditions are favorable for initiating solid and lasting negotiations. We do not want to make a number of contacts that might be considered dialogue for dialogue's sake, because, in the past, such moves have proven futile, and it would not be good to repeat these kinds of experiences.

[Arizmendi] Dr. Trujillo, with regard to the first public disturbances in the Samper government, we have heard the defense and government ministers refer to these incidents as if they were related to internal public order and the defense of the nation in one way or another. We also have heard comments by both hard-liners and soft-liners within the government on how to confront the guerrillas. You, however, as high commissioner, will be the one to define how this problem is handled.

Am I right, or will you have to bear in mind the ministers' positions? How will the peace problem really be handled? Will it be a three-hands or one-hand deal?

[Holmes] I appreciate your question. First, the fact that there is a perfectly coordinated peace policy does not mean the government and defense ministers cannot comply with the tasks assigned to them. On the contrary, they both have their own duties, they have been carrying out these duties, and they will continue to do so in a very thorough manner. I know this because I know them well. I know their expertise and their commitment to serve. I also maintain very close friendships with both of them.

Second, the president of the Republic is the one who defines and guides the peace policy. I have the task of implementing this policy within a sphere of concrete action, as was pointed out in the inaugural speech.

Third, the peace policy is, of course, coordinated with the government and defense ministers.

Search Bloc Unveils Cartel Intelligence Group

PA1308034794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 12 Aug 94

[From the "Seven O'Clock Newscast"]

[Text] The Search Bloc has discovered a sophisticated intelligence network used by drug lords. This network consists exclusively of officers and subofficers who retired from the Army six, seven, or eight years ago. What is hard to believe is that these officers were honorably discharged when they retired.

In one of the operations conducted in recent days by the Search Bloc in Cali, a sophisticated network of retired Army officers and subofficers working for the Cali Cartel was unveiled. The network, made up of approximately 12 people, consists of highly trained, retired officers who

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are experts in communications, intelligence, and security. All of these officers were decorated for their outstanding service to the Army. This is the first time a network used by drug trafficking groups with such a high level of readiness has been discovered.

The "Seven O'Clock Newscast" has learned the Cali Search Bloc was forced to modify all its tactics and strategic operations in order to apprehend drug traffickers as a result of the discovery of this network and its high level of specialization.

The "Seven O'Clock Newscast" has also confirmed this network is run by a colonel who retired about seven years ago. He was a prominent officer who received various decorations for his antiguerrilla efforts.

What concerns authorities most about this network is its sophisticated level of operations, because it is believed the Medellin Cartel did not have a similar system even in its best times.

According to reports from Cali, authorities came close to apprehending Gilberto Rodriguez Orejuela in a Search Bloc operation conducted today. According to a source at the Cali Prosecutor's Office, the Special Joint Command raided various farms in the municipalities of Timba and Buenos Aires, in the border area between Cauca and Valle Departments, early this morning. Authorities came close on one of those farms to apprehending Gilberto Rodriguez Orejuela, one of the leaders of the Cali Cartel.

A pen bearing Rodriguez Orejuela's name, clothes, and other items left behind made the Special Command believe they came close to apprehending the capo, but he managed to escape.

According to neighbors, people moved into the farm 15 days ago, and they had a big party this past weekend. Authorities presume just Gilberto Rodriguez Orejuela was here, because there are indications his brother Miguel is in Brazil.

It has been demonstrated the siege against Cali Cartel drug lords is closing in, despite the recent cases of corruption and the harassment of the Search Bloc, on the women of the drug lords. According to authorities, the capos' women have acted as fronts for their husbands.

Cali Cartel women are being searched for just as much as the Cali Cartel leaders. An investigation was opened against the current lover of Miguel Rodriguez Orejuela, former Miss Colombia Marta Lucia Echeverry, for covering up and illegal enrichment, because most properties raided by the Search Bloc, which belong to Miguel Rodriguez, were registered in Echeverry's name. Marta Lucia Echeverry is being sought today as hard as the very heads of the Cali Cartel.

Ampararo Castro de Santacruz, the wife of Cartel leader Jose Santacruz Londono, is facing a similar situation. The Prosecutor's Office began an investigation on 23 March against Amparo Castro de Santacruz for covering up and illegal enrichment. Amparo de Santacruz appears as the owner of the company Inversiones Integral Limited, a cartel front for the laundering of drug money.

Marta Cecilia Rodriguez Rodriguez, another close relative of the Rodriguez Orejuela brothers, is also being investigated for the same offenses. Marta Cecilia ran another company considered a Cali Cartel front, Inversiones Rodriguez y Rodriguez. None of these women has been arrested so far.

Policemen Dismissed Over Drug Trafficking Charges

PA1308034994 Santa Fe de Bogota Inravision Television Canal A in Spanish 0000 GMT 11 Aug 94

[From the "Seven O'Clock Newscast"]

[Text] It was learned today additional policemen were dismissed after the Cali Search Bloc found certain documents linking police officers and agents to drug trafficking.

The police have dismissed several members following the discovery of documents found by the Search Bloc in one of its operations. The documents included a long list of 117 police members who were allegedly receiving money from the Cali Cartel.

Initially and as soon as the list was released, the General Police Directorate dismissed 10 officers and seven agents. Charges were brought against 54 police members including 14 captains, 11 lieutenants, and 14 sergeants later and after 11 days of investigations.

In addition to the removal yesterday of Cali's entire airport police force, including its commander, 13 captains, 11 lieutenants, three second lieutenants, five sergeants, and three agents of Valle del Cauca Department were fired. The Palmira police commander was also dismissed.

An organization called "honest policemen" delivered documents two years ago reporting Cali Cartel bribes to several uniformed policemen. Several policemen had to leave the force at that time.

[Santa Fe de Bogota Inravision Television Canal A Network in Spanish at 0000 GMT on 13 August adds: "In its campaign against corruption, the National Police is still purging its personnel in El Valle del Cauca. An additional 58 policemen were dismissed today. A commission headed by General Carlos Alberto Pulido Barrantes was also established today to investigate the records of all the uniformed personnel in this region of the country."]

Ecuador

Congress To Present Opposition to Duran-Ballen

PA1308002294 Hamburg DPA in Spanish 2255 GMT 10 Aug 94

[Text] Quito, 10 Aug (DPA)—The new Ecuadoran Congress installed today features a very broad political

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coalition—the fruit of a political agreement among former rivals. After it was installed, Congress announced it will pose "firm opposition, but without a struggle for power" to President Sixto Duran-Ballen's government.

During a long and tedious session, Heinz Moeller of the Social Christian party was elected Congress president by 42 of the 77 deputies present. The election was held amid protests from the center-left and the left because of a "pact contra natura," while the progovernment wing was left on the sidelines.

The agreement between the Social Christian party and the populist groups—previously bitter enemies—was announced 48 hours before the installation of the new Congress. It was immediately labeled by Interior Minister Marcelo Santo as "an incredible agreement among intimate enemies."

Marco Proano, a populist, was elected vice president during the inaugural session of Congress. The session was not televised live following an agreement among the television stations.

The new Congress will be in power for two years. It comprises 65 provincial deputies who were elected in May and 12 national legislators who were elected in 1992.

The biggest news of the session was the unification of the three left-wing Marxist parties which, after many years of bitter confrontation, today announced their intention to merge in advance of the 1996 presidential elections.

On the other side of the coin, Conservatives and Republicans, the parties of the coalition that supports the government, were left out in the cold at the time of voting. All of the opposition parties, from the right and left, expressly and repeatedly rejected their support for the eight government deputies.

The installation of the new Congress coincided with the midway point of the Duran-Ballen government's four-year term. According to the polls, the president's popularity at this point is less than 10 percent, which represents an unprecedented low in Ecuadoran politics. According to political analysts, Duran-Ballen's dismal approval rating stems from the severity of the government's economic adjustments, which have lowered inflation, increased buying power, and heightened investments. This, however, has come at a high political cost.

With the new leadership in Congress, at least three ministers will be summoned and dismissed in the coming two months. Nevertheless, no indomitable obstacles are expected to be presented for bills that will be proposed by the government.

Duran-Ballen Reports Achievements to Congress

PA1308002494 Madrid EFE in Spanish 2344 GMT 10 Aug 94

[Text] Quito, 10 Aug (EFE)—Ecuadoran President Duran-Ballen said today he is not completely satisfied with the work carried out by his government since he assumed power on 10 August 1992, but he pointed out that it has established the foundation for the country's modernization.

After a few hours' delay, the 73-year-old conservative president read before Congress his assessment of the first two years of his government. The opposition has become a majority in Congress for the third time.

He said: "I must confess that I wish I had accomplished more over these past 24 months, but external circumstances, the absence of a legislative effort capable of rising above political lines to achieve important national goals, and the limitations and errors inherent in any government have prevented changes from occurring with more intensity."

He said his modernization effort began with "the correction of macroeconomic problems." These corrections, he noted, prompted the annual inflation rate to drop from 60 percent in mid-1992 to 31 percent by the end of 1993. He also forecast a 20 percent rate of inflation in December 1994.

"The country," according to him, "is enjoying a notable recovery" in salaries, with a minimum salary equivalent to $127 in comparison with the $57 salary of the 1989-1992 period and to the $123 of a decade ago.

Duran-Ballen also mentioned the $1.464 billion increase in the International Monetary Reserve, "the highest in the country's history" and enough to cover almost five months of imports of goods and services. The number of public officials was cut down from 366,000 to 293,000, the president reported.

He added: "Another significant achievement in the past two years is the normalization of our international financial relations," which resulted in the renegotiation of the nation's foreign debt of approximately $13 billion.

In this regard, he said, "This historic agreement will serve to alleviate pressure on public finances, will facilitate Ecuador's advance into international capital markets, and will permit our access to important financial sources that have remained closed until now."

In his speech entitled "The Reform of the State: Toward a New Ecuador," he pointed out that the executive branch's determination to call a referendum to reform the Constitution is intended to overcome what he called "the general feeling of skepticism and lack of trust in our own virtues."

He said: "The structural transformation my government has initiated goes from economic reforms to the establishing of social goals, to the firm will to secure political reforms that the majority demands and that only a few are trying to prevent."

He recalled that modernization reforms have already been implemented in customs, the postal service, the Civil Registry, and other institutions, adding that these

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reforms have permitted the privatization of state properties—something that this year earned $90 million for the treasury.

Duran-Ballen predicted that revenues from oil exports, the country's main source of foreign exchange, and other Ecuadoran export items will increase. He said another achievement is the reduction in operating expenses, which in the past have consumed up to 78 percent of the state budget.

In 1993, these operating expenses represented 67 percent of the budget, "and during the first half of the year, we have reduced this to 61 percent," which represents, he said, "clear evidence that the state, in addition to increasing revenues, is utilizing less resources to maintain state structures."

In terms of foreign policy, he thanked "friendly countries" for granting credits for various projects, and he said that "notable progress" has been made in the nation's bid to enter the American free trade agreement and the Group of Three (Colombia, Mexico, Venezuela), as well as in the consolidation of relations with nations from the region and from other parts of the world.

Duran-Ballen expressed his "deep regret" about the Haitian political situation, and he noted he is certain "Haiti, with the cooperation of all of the countries of America, will again be a democracy and the conditions of the people will improve."

The Ecuadoran president reiterated to Congress his already traditional call for a political moratorium: "Today, I again want to ask you to put aside our differences for the sake of the country and the fatherland, and to join efforts to secure the new Ecuador that each one of us desires."

Defense Minister Rejects Charges of Coup

PA1608042994 Madrid EFE in Spanish 0038 GMT 13 Aug 94

[Text] Quito, 13 Aug (EFE)—Ecuadoran Defense Minister General Jose Gallardo rejected charges today made by new Congress President Heinz Moeller who said advisers of President Sixto Duran-Ballen are preparing a "self-inflicted coup."

Moeller, who opposes the Duran-Ballen government, said on 10 August, not disclosing any additional details, after he was elected president of the unicameral congress, that advisers of the executive branch are encouraging a "Fujimori-type" coup, in reference to Peruvian President Alberto Fujimori's break in constitutionality, which has been already restored.

"President Duran-Ballen has always maintained a position of utmost respect for the Constitution and laws of the country; therefore, there is no such danger," Gallardo said after a meeting with Moeller behind closed doors.

Gallardo hinted the subject was not even discussed during the protocol respects he presented to Moeller, accompanied by the top military commanders.

In that meeting, "which for obvious reasons was held in private and for which I cannot give details, we discussed matters related to internal and external security. We briefed the Congress president of the current situation, because he must be well-informed due to his prominent position."

Public Polled on Timetable for Modernization

94P21055

[Editorial Report] Guayaquil EL UNIVERSO in Spanish on 24 July published a graph on page 1 representing the results of a poll by Informe Confidencial. An unspecified number of Guayaquil and Quito residents were asked the single question: "Do you think that President Duran-Ballen will be able to complete the country's modernization before his presidential term expires?" "No" was the response of 73.3 percent of Guayaquil and 73.5 percent of Quito residents. "Yes" was the response of 23.5 percent of Guayaquil and 21.3 percent of Quito residents. Only 8.4 percent of residents from both cities did not respond.

Paraguay

Wasmosy Expresses Opposition to Abortion

PY1608030794 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2350 GMT 15 Aug 94

[Excerpts] During a religious service this afternoon, the president of the Republic, Juan Carlos Wasmosy, stressed that he opposes abortion.

A Te Deum was held at the Metropolitan Cathedral to mark the 457th anniversary of Asuncion. President Juan Carlos Wasmosy was present there. [passage omitted]

Asked to voice the government's stance on this issue, the president responded that he would discuss it at the end of the religious service.

[Begin Wasmosy recording] Nevertheless, I want you to be aware of the fact that, as a Christian, I, along with Argentine President Menem, have championed the stance of the church during the past presidential summit, holding discussions with the presidents of other countries whose constitutions and laws advocate abortion.

Paraguay is against abortion and will defend the right to life. [applause]

The executive branch believes the demographic balance must be adjusted by sound family planning. This is the way in which we must begin readjusting and working jointly and strongly. [passage omitted] [end recording]

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Coordinating Group Criticizes Privatization

PY1208201594 Asuncion NOTICIAS in Spanish 12 Aug 94 p 22

[Text] The National Coordinating Group for the Defense of Paraguayan State Patrimony [Coordinadora Nacional por la Defensa del Patrimonio del Estado Paraguayo] issued a declaration yesterday in which it comments on "the privatization drive against Paraguayan state enterprises by President Wasmosy's neoliberal economic policy." The initial points of the declaration explain that the coordinating group believes the privatization of monopolistic state enterprises is not a global and viable economic program that will benefit the vast majority of Paraguayans.

The coordinating group notes that the sale of these enterprises represents a serious threat to the entire society. It points out that the population will suffer the impact of rising utility rates as profit becomes the sole and exclusive goal.

The coordinating group says the process contradicts the principles of sovereignty as there is a serious threat that our national patrimony will become transnational.

The group points out that a reform of the organizational law on state-owned enterprises is needed to include modern management methods to fight vices like political patronage.

The group comments on the policy of highlighting the inefficiency of these enterprises in order to support, among other points, their privatization. The coordinating group establishes the way it will function and the nationwide operational program it wants to implement. This organization is made up of leftist parties and movements and trade union organizations of enterprises that may be privatized.

Peru

Goldenberg on Normal Relations With U.S.

PY1608011094 Madrid EFE in Spanish 1944 GMT 12 Aug 94

[Text] Lima, 12 Aug (EFE)—Peruvian Foreign Minister Efrain Goldenberg today asserted that his country's relationship with the United States is undergoing a normalization process after experiencing "difficult moments."

The Peruvian foreign minister's comments, during a meeting of the congressional foreign affairs commission, were revealed by legislator Alex Kouri, of the conservative opposition Popular Christian Party (PPC).

According to Kouri, Goldenberg admitted that bilateral relations with the United States have faced difficulties in certain fields, such as the subject of respect for human rights and the enforcement of the democratic system.

Kouri added that according to the foreign minister, who is also president of the Council of Ministers, some within U.S. President Bill Clinton's administration have objected to the Peruvian stance on these subjects.

Goldenberg said that problems are being overcome and relationships are now in a phase of "true normalization," for example, with regard to the subject of drug trafficking.

In this regard, there are prospects for the resumption of U.S. aid, suspended in May, for detection of drug traffickers' aircraft used to transport drugs in the Peruvian jungle area.

The United States withdrew radar used to detect these aircraft and suspended the flights of "Orion" and "AWACS" aircraft equipped for detection. This increased the illegal use of aircraft for transporting cocaine base paste to Colombia.

Fujimori on Liberation of Ashaninka Indians

PY1208231294 Madrid EFE in Spanish 0154 GMT 12 Aug 94

[Text] Lima, 11 Aug (EFE)—President Alberto Fujimori said today that 10,000 Ashaninka Indians have been liberated from the hands of the Shining Path, SL, terrorist organization while another 5,000 are still being held captive.

Fujimori said a further 5,000 Ashaninka Indians who live in the jungle region of Junin Department, east of Lima, in the central mountain range, escaped from SL domination and are dispersed in that zone.

Fujimori visited the settlements of Poyeni, Puerto Prado, and Puerto Ocopa, Satipo Province, in that region. He ordered the installation of military bases in strategic places in the confluence of the Ene and Perene Rivers to "end with terrorism."

Fujimori expects that within the next six months all Ashaninka Indians will be liberated from the virtual kidnapping and slavery that was started by the SL in 1985.

He also expects the SL will be eradicated from that region during the same period.

Fujimori dedicated a medical post in Poyeni. He said the Ashaninka population has been liberated from terrorism and is suffering from malnutrition. They will receive social and health development projects.

Fujimori reiterated the ultimatum made last July to the terrorists to surrender before 1 November—when the repentance law deadline expires—or "face a state of war."

That law established reduced and suspended sentences for terrorists who surrender or cooperate with the security forces.

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Congress Majority Rejects Electoral Law Change

PY1608021594 Madrid EFE in Spanish 0305 GMT 11 Aug 94

[Text] Lima, 10 Aug (EFE)—The government majority in the Peruvian congress rejected today, 9 August, a request by the opposition for a revision of the electoral decree considered unconstitutional by the first lady of Peru, Susana Higuchi de Fujimori, who wants it derogated.

The opposition, which is a minority in the Democratic Constituent Congress (CCD), has opposed from the very beginning, when the electoral law was debated in July 1994, the article that prevents the spouse of the current president and relatives from being candidates for president or for a congressional seat, but most government members approved it because they consider it constitutional.

The opposition congressmen stated that the decree violates the rights of citizens and that it is unconstitutional because the constitution does not establish any prohibition.

In view of this rejection, the opposition has asked the constitutional committee to make an analysis of the electoral law and to make a statement within two days on whether some of its articles are unconstitutional or not.

Later, the majority also rejected a request submitted by the opposition groups to censure the board of directors, stating that these opposition groups have gone beyond their limits when they released a public communique a few days ago referring to the decree that had elicited objections.

The first lady of Peru has submitted requests to the national Congress and to the national Election Board for the derogation of the decree that affects her. She had already submitted one to the Attorney General's office.

Congressman Says First Lady Offered Vice Presidency

PY1208220794 Madrid EFE in Spanish 0401 GMT 12 Aug 94

[Text] Lima, 11 Aug (EFE)—Congressman Rafael Rey Rey reported on 11 August that Susana Higuchi de Fujimori, the first lady of Peru, asked him to be her running mate. She offered him the post of first vice president, thus making up a ticket she would head as presidential candidate for the 9 April 1995 general elections.

Rey Rey, leader of the independent Renewal Party which is allied to the government, said President Alberto Fujimori's wife made this proposal on 10 June at the government palace while the president was visiting Japan.

He added that Susana Higuchi called him by phone to invite him to the palace for a meeting. He agreed to meet her but added that he thanked her and declined the proposal.

Rey Rey said the first lady offered him the first vice presidency and told him that for the second vice presidency she was thinking of a police officer—General Antonio Ketin Vidal Herrera, considered a national hero for having arrested Shining Path terrorist leader Abimael Guzman on 12 September 1992.

The Peruvian congressman reported in an interview with Lima Television Channel 5 that he told the first lady he considers it illogical for her to compete with President Fujimori who, "as we all know, although he has not confirmed it, may run for reelection."

He said Susana Higuchi told him she and her advisers had analyzed the possibility of running for president of the Republic.

The electoral law, which was officially approved by the government majority in Congress and ratified by the legislative branch, includes an article preventing the spouse of the president in office or his relatives to the fourth degree of relationship from standing for the presidency or for a congressional seat.

The first lady on 2 August announced that said article was "unconstitutional" and asked Congress to annul it. The Attorney General's office was asked to file a suit against Congress. She later abandoned the conjugal home. She has yet to return to the presidential palace.

Susana Higuchi on 10 August announced that she will keep trying to get the article annulled. Asked if she will seek the presidency, she said she had not thought about it but that she may do so.

Assertions Spark Reaction

PY1508221194 Lima Global de Television Network in Spanish 0130 GMT 13 Aug 94

[Text] Legislator Rafael Rey Rey's statement has caused the most varied of reactions. Rey Rey said that Mrs. Susana Fujimori had invited him to be her running mate on an eventual presidential ticket headed by herself.

[Begin recording] [Unidentified reporter in progress] ...to join the presidential ticket?

[Rey Rey] As I have already said, and I wish to reassert to this television channel and your audience, I rejected the proposal outright and told her I did not see any logic in her intentions. [end recording]

In view of Rafael Rey Rey's statement, which raised diverse comment in almost all political circles, Efrain Goldenberg, president of the Council of Ministers, said he has no doubts about Rey Rey's credibility.

[Begin Goldenberg recording] What I am saying is that I believe in Mr. Rafael Rey's statement because he

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deserves my complete confidence. He is a man of principles. He is a man well-known for his rectitude. He is a man unable to make a fabrication of this nature. [end recording]

Some representatives of political parties disagree, however, with the comments of the president of the council of ministers, and argue that such reports aggravate even further the presidential couple's problems.

[Begin unidentified political leader recording] Yesterday, I heard Rafael Rey say on television that he had received a formal invitation from Mrs. Susana Fujimori.

In the first place, I believe he is disclosing issues discussed during a private conversation, the terms of which he has not been authorized to disclose.

In the second place, the last thing the presidential couple needs to solve its conflict is a wolf in sheep's clothing. What Rey is really doing with this statement is pouring salt over the wound regarding a hot issue currently affecting Government House.

I believe all of us must make an effort not to meddle in private affairs. Unfortunately, Rafael Rey is not helping much in this regard. [end recording]

Mrs. Fujimori Says Campaign Against Her

PY1608005394 Madrid EFE in Spanish 1554 GMT 15 Aug 94

[Excerpt] Lima, 15 Aug (EFE)—Susana Higuchi, who is being held in the Government House in Lima on orders from her husband, President Alberto Fujimori, has asserted that efforts are being made to make her look crazy to prevent her from participating in politics.

In comments published in Lima by EL COMERCIO she said: "Some people want to pretend I am going through a strong depression that borders on madness. A strong campaign is being waged to make it appear as though I am crazy. It is regrettable this is happening in the international year of the family."

"I believe that campaign comes from higher up," said Higuchi, although she did not give any names.

Susana Higuchi also said she will soon release a declaration with regard to her charges of corruption in the government and the alleged bribe of $100,000 paid to two ministers in 1991 and 1992 after she refused to get the money.

She added: "My husband (Alberto Fujimori) knew all about it just as I did. He was aware of it."

She also told EL COMERCIO she is staying in the presidential residence "without any company, either my relatives or secretary. In other words, no one can stay with me in the residence, either my parents, brothers, or children." [passage omitted]

Briones Views Drug War, Denies Releasing 'Terrorists'

PY1208225994 Lima Global de Television Network in Spanish 0130 GMT 12 Aug 94

[Text] Interior Minister Juan Briones Davila has said that the war on drugs is centered on the control of chemical precursors and that this strategy will shortly result in the reduction of drug production.

[Begin recording] [Briones, in progress] ...Right now people are granting greater coverage to reports on drug seizures but now the police are conducting an effective control of chemical precursors.

So far this year, the police have already seized 125 metric tons of chemical precursors. This is a campaign at the national level. For example, we have seized precursor shipments in Trujillo, Chiclayo, and Ayacucho. This is a program launched at the national level in conjunction with the customs offices and all those organizations that import precursors with the objective of blocking the entrance of chemical precursors in drug production areas.

[Unidentified reporter] Sir, are reports stating that many repentant terrorists have been released to help arrest [Shining Path leader in Central Peru region Oscar Ramirez Durand, aka] Feliciano true?

[Briones] We have a very clear and serious strategy. Our government upholds a very serious policy based on the established laws. We reject all groundless theories that state that we are releasing criminals to kill and capture certain people.

We are doing what we have always done. [end recording]

Japanese Escapes Kidnapping Attempt in Lima

OW1408050994 Tokyo KYODO in English 0335 GMT 14 Aug 94

[Text] Lima, Aug. 13 KYODO—A Japanese man who heads the Peru office of Japan's national fisheries cooperative narrowly escaped a kidnapping attempt early Friday [12 August] morning in Lima, police said Saturday.

Eight armed gunmen, riding in two cars, attacked Genji Sugawara, 45, and his Japanese-Peruvian secretary on a street in central Lima and tried to force them into a car.

A passing military patrol saw the gunmen and fired warning shots. The gunmen sped off in the cars, taking the secretary with them.

The secretary was released an hour later, unharmed, according to police.

Sugawara suffered a minor head injury from being hit with a gun as he tried to resist the gunmen, police said.

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Police said they suspect the kidnapping attempt was aimed at Sugawara and likely connected to business trouble.

Police also suggested a possible terrorist attack by a leftist guerrilla group.

But the National Federation of Fisheries Cooperative Associations (Zengyoren) in Tokyo said they have no idea why Sugawara was targeted.

Sugawara left Peru for Tokyo on Friday.

The Zengyoren's Peru office provides support for Japanese fishing crew members visiting that country.

Uruguay

Paraguay-Parana River Waterway Meeting Opens

PY1308032294 Montevideo EL PAIS in Spanish 26 Jul 94 p 12

[Text] The 15th Meeting of the Inter-Governmental Waterway Committee (CIH) for the Paraguay-Parana Rivers Waterway (Puerto Caceres [Bolivia]-Nueva Palmira [Uruguay] was opened during the morning of 25 July at the seat of the ALADI [Latin American Integration Association].

Facing an audience of numerous high-ranking personalities linked to the public, diplomatic, and business sectors, Transport and Public Works Minister Jose Luis Ovalle delivered a message containing optimism and progress regarding the river waterway, and just before opening the CIH meeting, he gave the participants a resume of the tasks that have been carried out in the past 30 months by the CIH, which has not been inactive, but very, very busy.

We highlight the main points of Ovalle's address.

A. At this time there is the contracting, through the IDB [Inter-American Development Bank] and the PNUD [UN Development Program], of the prequalified enterprise that will carry out in 18 months the technical studies for improving the navigability, including the dredging, works of engineering, and the marking out with buoys from Corumba (Brazil), which will also include the Tamengo Channel in Bolivia, to Nueva Palmira, and the marking of the Corumba-Caceres stretch.

B. In September 1994 the last technical contracts will be drafted pertaining to the five countries that make up the coordinating unit that carries out the task of controlling the consulting enterprises in the technical and environmental studies.

5. [as published] The executive secretary, having received a mandate from the committee, on 7 July met with the top authorities of the EU [European Union] and it is believed that an agreement for the financing of the study of the infrastructure of the river highway's ports and for the training of the administrative staff amounting to 6 million ECU's [European Currency Units] will be signed in February 1995.

C. CIH technical groups have concluded a large part of the prior rules and regulations in the additional protocols.

Ovalle also acknowledged that the efforts of the Argentine and Paraguayan authorities in the task of dredging and buoying carried out recently have benefited the users of the waterway.

A point in Ovalle's address that we wish to highlight is when he refers to the Permanent Transport Committee of the Plate Basin as the "private sector that has been the will power, and with the prospects of the project it has invested more than $200 million in new ports, port improvement, and the incorporation of new vessels or the transformation of vessels into more efficient units. [quotation mark as published]

Ovalle also referred to the preservation of the environment factor that is contained in the waterway's program, and in this respect he made it very clear that all the regional family that is involved in the project was in agreement that the negative impact must be reduced and gave its total support for the preservation of the environment and natural resources.

Finally, Ovalle asked all the participants for their solidarity vis-a-vis the terrorist tragedy that Argentina had to suffer, their moral support, their repudiation of the terrorist action, apologies to Argentina as a Latin American country for the attack it suffered.

Alfredo Rescic, who opened the CIH meeting, referred to the fact that the CIH made important and positive steps that favor the waterway's program, such as the resolving of very important matters that have led to the contracting of the consulting enterprise that is going to study A and B1 modules, and that the work will start during August. He believes that the waterway is already entering a stage of concrete tasks.

Antonio Antunez, who spoke afterward, indicated that the five countries have exported to the tune of $55 million and that this amount is constantly increasing; therefore, it is not yesterday's dream but today's reality. He also indicated that among other important achievements that the region's countries have made as a result of the integration steps that are being made through numerous mechanisms, it can be said that "the old resentments between our countries, which in the past created obstacles for trade and development agreements, are now being neutralized."

Defense Ministry To Restructure Armed Forces

PY1508121294 Montevideo LA MANANA in Spanish 27 Jul 94 p 7

[Text] President Luis Alberto Lacalle has decided on the contracting of a consulting company to evaluate diverse

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services of the Armed Forces in order to increase their restructuring, and he has charged the Defense Ministry with undertaking the task. Complementary actions are contained in the resolution, the text of which states:

"The defense minister is charged with undertaking the following tasks:

a. Bring in an external consulting firm to evaluate the efficiency of the services that are provided by the National Health Directorate of the Armed Forces and of the General Services Directorate of the Armed Forces in compliance with their specific tasks. The minister will submit the conclusions that emerge from the studies before 31 December 1994. In the contracting of the consulting firm, (the ministry) will directly coordinate matters with the Planning and Budget Office of the presidency.

b. Define the mission and organization of the Civil Defense Office, which will come under the direct command of the Defense Ministry.

c. Evaluate the convenience of continuing with the industrial tasks that support the Armed Forces by applying a cost-benefit analysis. The recommendations must be submitted before 31 December 1994.

d. Implement, in accordance with current legislation, a system of purchases that must be put into effect before 1 December 1994.

e. Draft before 1 September 1994 a bill with the intention of adjusting the grades for officers and subaltern personnel of the Armed Forces.

f. Outline a rationalization of the pay scales of military personnel in order to establish an adequate wage scale that will be reflected in the different ranks.

g. Implement a system of income and promotions that will include highly specialized subaltern personnel, and will create the appropriate scale.

h. Continue with the service housing plan for the higher ranks and complement it during a second stage for noncommissioned officers.

i. Implement a National Support System for Peace Keeping Operations.

j. Transform the High National Studies Center into an Armed Forces University Center to give postgraduate courses for the higher ranking personnel, professionals, and highly qualified civilian technicians.

k. Plan the incorporation of materiel and equipment with an eye to the modernization of the Armed Forces so that their members can carry out tasks appropriately.

Blanco Party Faction Running Mate Named

PY1208231594 Montevideo EL PAIS in Spanish 1 Aug 94 p 8

[Article by Correspondent Pedro Ramon Clavijo]

[Text] Carmelo—Deputy Juan Raul Ferreira has proposed Wilson Elso Goni as vice presidential candidate for the Wilsonist Movement [a Blanco Party faction], thus clearing up any doubts about the ticket that will represent the faction in the upcoming elections.

During an emotive ceremony, For the Fatherland [Blanco Party] congressman shared the rostrum with Raul Bianchi, the former transport and public works minister [Wilson Elso Goni], and Carlos Julio Pereyra.

Numerous enthusiastic people filled the Wanderers Club gymnasium. The meeting became very emotive, there were even tears when the name Wilson Ferreira Aldunate [late Blanco Party leader] was mentioned.

With emotion and continuous applause, Senator Carlos Julio Pereyra said: "When I heard Juan Raul speak and I looked at the people here who voted for Wilson, I could observe the emotion of many of them. With his words and our emotion, I could feel the spirit of Wilson that emerges every time we evoke his magnificent personality, his status as an irreproachable Blanco Party member, and as the founder of the greatest effort that has ever been made to make the Blanco Party the key for transforming the country needs."

Pereyra then expressed satisfaction about the announcement by Juan Raul Ferreira regarding the Wilsonist faction ticket.

"I cannot tell you the emotion that I felt when Juan Raul announced here in Colonia that my old friend Wilson Elso will be my partner on the ticket," Pereyra said, highlighting the event.

He emphasized the status and "spiritedness that Wilson Elso demonstrated when he was public works minister." He said he "visited every corner of the country to see what was lacking, to sign agreements for the refurbishing of schools and hospitals, and to learn the needs of each town."

He said: "It fell on him to be a minister in a government that strongly restricted investments—but I am not saying they did this on purpose, they did it for the sake of the chosen economic policy."

Pereyra said he was not interested in the political costs regarding cooperation with the current government. He said: "At the time of my party's baptism of fire I did not turn and run, I tried to cooperate—not with the government of a man, but with the country—helping to govern as Wilson said on the day he left prison."

He highlighted that type of governability is necessary, adding "that this is not the time to collect debts."

He added: "The population does not believe any more. It does not want any more vindictiveness or demagogy. Obstacles cannot be placed in the way of solutions just to prepare for victory in five years' time."

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He said: "We cannot place personal sentiments above the patriotic sentiments which must emerge in the actions of the men that love their country."

"And, this why I did not try to get anything from President Luis Alberto Lacalle, who defeated me legitimately in the last elections. When he called me one day, I told him that I was willing to cooperate through dialogue to seek solutions," he added.

"The party won the elections and we could not ban the party from the country just because of personal resentment," he concluded.

Over the weekend, Pereyra concluded an intensive three-day tour.

In the company of Goni and important leaders of his faction, Pereyra visited the towns of Colonia Valdense, La Paz, Nueva Helvecia, Colonia, Tarariras, Juan Lacaza, Nueva Palmira, Carmelo, Ombues de Lavalle, Colonia Miguelete, Florencio Sanchez, and Rosario.

Colorado Party Leads in Election Campaign Poll

PY1608015494 Montevideo LA MANANA in Spanish 3 Aug 94 p 7

[Text] An important foreign enterprise specializing in public opinion polls that operates in the Southern Cone has released the results of a restricted poll carried out in July and August that indicates if the voting was held now, the Colorado Party would win throughout the country, including Montevideo. The Colorado Party has a 2 percent edge over both the National Party and the Broad Front.

The poll also indicates that there is a high percentage of undecided voters—22 percent. This means that the final stretch of the campaign will finally determine how the people will vote, given the small difference of two percentage points.

The poll verifies the tendency pointed out as a possibility by several other polling companies: A slow growth at the national level of the National Party, which came in second place after being in third place behind the Broad Front for several months.

The poll, which was carried out during the last days of July and which was made known on 2 August in a restricted form, reveals the following percentages of the total of the electorate by party and by candidate to the presidency:

Colorado Party: Julio Maria Sanguinetti, 19 percent; Jorge Battle, 4 percent; Jorge Pacheco Areco, 4 percent; total for the Colorado Party in the country, 27 percent.

National Party: Juan Andres Ramirez, 12 percent; Alberto Volonte, 9 percent; Carlos Julio Pereyra, 3 percent; Gonzalo Aguirre, 1 percent; total for the National Party in the country, 25 percent.

Broad Front: Tabare Vazquez, 22 percent.

Party of the Government by the People splinter group: Rafael Michelini, 4 percent.

Undecided: 22 percent.

The Colorado Party obtained a 34 percent support rate in Montevideo, while the Broad Front obtained 32 percent.

Venezuela

Caldera Subpoenaed on Suspension of Guarantees

PA1508234994 Caracas EL UNIVERSAL in Spanish 12 Aug 94 pp 1, 12

[Text] The Supreme Court of Justice Trial Court [Juzgado de Sustanciacion] officially notified President Rafael Caldera on 11 August and requested an opinion from the Prosecutor General's Office on a lawsuit filed against Decree No. 285, which suspended constitutional guarantees. University Professors Omar Enrique Garcia and Ignacio de Leon and lawyer Alexander Gallardo Perez filed the lawsuit.

A Supreme Court marshal delivered the official notification of the appeal for annulment against the decree to Miraflores Presidential Palace. According to the plaintiffs, the court must declare the decree unconstitutional, because the government lacks any tangible and legal justification to selectively rescind the rights of all Venezuelans.

President Caldera can consider himself subpoenaed with regard to the lawsuit and is entitled to 60 days in which to file a brief and to present evidence. The president will be able to attend in person, or he can be represented by the attorney general of the Republic.

The attorneys who filed the lawsuit have requested that the case be classified as urgent, in which case the terms would be reduced, and that a decision be rendered expeditiously.

The plaintiffs argue "the suspension of constitutional guarantees has not eased the people's insecurity or the increase in criminal activity. Should the lawsuit succeed, it will have been clearly established the government has violated the Constitution by depriving the people of their liberty and rights."

Caldera Swears In President of Exchange Board

PA1608050394 Caracas Union Radio Network in Spanish 2200 GMT 12 Aug 94

[From the "Union Radio News" newscast]

[Text] President Rafael Caldera swore in Luis Matos Azocar as president of the Foreign Exchange Administration Board [Junta de Administracion Cambiaria].

Matos Azocar has promised to expedite the process of delivering foreign exchange without accepting any pressures.

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[Begin Matos recording] I believe we should not manage positions in the country with dogmatic or rigid standards. A private group may express at a given time views that could be a better interpretation than ours, or vice versa. What is true, as a member of the board has said and as I have adopted as a policy, is that the members of this board will not yield to flattery or pressures. [end recording]

Matos Azocar ruled out the possibility of implementing a dual foreign exchange rate, and he reaffirmed he, as head of the exchange board, will simplify and expedite the process of granting foreign exchange.

Regarding the impasse in relations between the Exchange Administration Board and Venezuelan Petroleum, Inc., Matos Azocar has said it can be settled within the framework of institutional relations. He added this is an unnecessary conflict that can be resolved.

Caldera Removes Economist From Exchange Post

PA1608034894 Caracas EL NACIONAL in Spanish 12 Aug 94 p d-9

[Report by Wilfer Pulgarin and Freddy Torres]

[Text] President Rafael Caldera informed economist Ivan Pulido Mora last night of his decision to remove him from the post he occupied at the Foreign Exchange Administration Council (JAC) [Junta de Administracion Cambiaria].

During an unscheduled, one-hour meeting in Miraflores, the president heard Pulido Mora's explanations on why the supply of foreign exchange is bogged down and his position on Venezuelan Petroleum Corporation [Petroven] reserving $442 million to pay its suppliers.

In his meeting with Caldera, as well as in a subsequent news conference, Pulido insisted Petroven had illegally used resources, "because the first and fourth clauses of the foreign exchange agreement are very precise."

The former official said this statement was his truth, and he compared his situation to that of Galileo who, when he was going to the stake for saying the earth revolved around the sun, said: "E pur, si muove!" (And yet it moves!)

He told reporters there are "two mechanisms through which the economic sectors are attempting to take the country's foreign exchange: letters of credit and the acknowledgment of the private foreign debt."

I told the president this mechanism has to be watched very carefully. Today, as I have done for 20 years, I maintain my uprightness. The entire country has been with me.

He also said all the sectors in Venezuela exert pressures in Miraflores, because "they want to get their hands on the dollars that belong to all Venezuelans."

Top level government sources reported, as last minute news, Luis Raul Matos Azocar, who was minister-adviser to the Presidency, will replace Pulido Mora.

The Conflict With Petroven Had A High Cost

Economist Ivan Pulido Mora was appointed JAC president a few days after Finance Minister Julio Sosa Rodriguez announced to the country the foreign exchange control at 170 bolivares per dollar. This measure was adopted by the government of President Rafael Caldera as an emergency mechanism to avoid the fall of the Venezuelan currency and to conserve international reserves.

Since he initiated his work as head of the JAC and up to now, criticism has increased over the slowness of the mechanism to distribute dollars to importers, which has prompted concern that a generalized shortage may occur in the country. Even Finance Minister Sosa Rodriguez has mentioned this possibility.

Closed to criticisms, Pulido Mora's answer to the productive sectors was there was no reason for alarm or to suppose shortages would arise as, he argued, the country has enough dollar reserves to attend to all its needs.

The mechanism to distribute dollars continues to be tangled due to the difficult procedures selected for this purpose. COPEI [Social Christian Party] has proposed the supply of dollars be investigated. His removal was promoted by his conflict with Petroven President Luis Giusti more than due to the charges against Pulido Mora's management of the $442 million the Petroven central office took from a rotating reserve fund to pay its debts with contractors.

Giusti replied JAC's false information damaged the institution, but Pulido Mora insisted Petroven had to return to the Central Bank of Venezuela the money it had "illegally" used.

President Caldera resolved the controversy on 3 August by stating "no one can believe Petroven is going to steal dollars from the market, as it simply wants to move them to ensure a greater flow of foreign exchange, which is what the country requires."

When everyone believed the controversy would end with those firm and clear statements, Pulido Mora insisted the oil industry had to return the dollars to the Central Bank.

President Caldera seems to have decided to terminate the controversy by deciding to "do without" Pulido Mora's services. The JAC official said goodbye and reiterated Petroven had made illegal use of the resources, emphasizing this misuse had not been noted by the banking and oil sectors.

Minister Denies Dual Exchange Rate Program

PA1308232094 Caracas ECONOMIA HOY in Spanish 11 Aug 94 p 4

[Report by Zenaida da Costa]

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[Text] Finance Minister Julio Sosa Rodriguez has categorically denied reports stating a dual exchange rate program will go into effect in the next few days. This program reportedly envisions a fixed rate as well as a rate that would depend on supply and demand. The minister has said the idea was considered before it was decided to set the exchange rate at 170 bolivares per dollar. That program was to be dubbed the "unrestrained exchange rate," but the idea was discarded.

The minister has said the idea was considered at the beginning of the crisis, and it was decided that the unrestrained rate could become too disassociated with the controlled exchange rate and that this duality would produce problems.

The finance minister has said setting the price of the dollar at 170 bolivares was a good decision, because the par value of the bolivar was 150 bolivares per dollar three months ago, and it is between 160 and 165 bolivares now.

The minister has said: "Reports indicating there is some type of informal traffic with dollars outside Venezuela between people who have accounts abroad and want to buy foreign exchange in a hurry have served as a confirmation that the 170 bolivares per dollar rate was on target. Those people are paying between 185 and 190 bolivares per dollar, meaning the rate difference between the black, or parallel, market and the official exchange rate is of 10 or 15 percent. This is viewed as logical and reasonable.

"We would have a serious problem if there were a 50-percent difference. The information I have on this point is not formal. I was informed in Santa Fe de Bogota there is some type of market—we do not want to call black but, rather, parallel—where the dollar is being negotiated at 185 and 195 bolivares."

Sosa has said nothing about revoking the exchange control program in the near future; instead, he insisted that this measure is well oriented and that it is important to step it up to prevent a shortage and problems in acquiring dollars for import purposes.

Sosa has said: "I want to clarify the adopted measures are necessary and do not represent any change in policy, which must be directed at the globalization of our economy. I made this statement to members of the Eximbank and other foreign economic agencies. The proposal is aimed at the country's economic opening and growth."

The finance minister has said he will have ready in two weeks a plan that will permit withdrawals from the finance system, because, as he sees it, this is the only way economic development can be renewed and interest rates may be brought down.

Following a long period of suspense, the Council of Ministers approved yesterday the reform to the Privatization Law, which will be presented today to Congress for analysis and discussion. Sosa hopes this will happen soon, because this reform concerns the utilization of next year's resources and payment of the foreign debt.

This proposal is a healthy one in his opinion. He has said it is logical to use funds derived from the sale of state assets to pay a debt that represents a big burden, because it takes 30 percent of the fiscal budget.

The Council of Ministers also approved the creation of the Integrated Tax Administration System [Sistema Integrado de Administracion Tributaria—Siniat] as a Finance Ministry department. Its objective will be to administer the national income tax. Once this department begins operations, the General Directorate of Revenues and Customs of Venezuela will be restructured and merged, meaning Siniat will collect income tax and customs as well as other taxes such as the Tax on Luxury Items and on wholesales. This will be an autonomous service that will secure its own income. It is expected that it will take Siniat eight months to produce an effective integration of all the organizations involved.

The resources assigned to Siniat for the current fiscal period will be approximately 5 percent of the income generated by the taxes it administers, excluding those derived from the exploitation of hydrocarbons and related activities. Every year, the Budget Law will assign Siniat a percentage to be determined by the executive branch.

Banco de Venezuela To Continue Normal Operations

PA1408030394 Caracas Union Radio Network in Spanish 1100 GMT 10 Aug 94

[Report by Zaida Pereira; from the "Union Radio News" newscast]

[Text] Banco de Venezuela will continue to operate normally for the duration of the intervention. Banco de Venezuela will require a subsidy of 50 billion bolivares from the Deposit Guarantee and Banking Protection Fund [FOGADE] to restore liquidity. These funds will come from the sale of 150 billion bolivares worth of FOGADE bonds, as approved by Congress.

The financial sector will be summoned in order to complete the action. The breakdown of the assistance to recapitalize Banco de Venezuela will consist of 5 billion bolivares, which is the bank's accounts payable, and 45 billion bolivares, through an underlying loan, will be for a special loan to cover deficits.

Commenting on the matter, FOGADE President Noris Aguirre has said a study by the General Bank Superintendency has revealed Banco de Venezuela had a 50-billion bolivares funding gap in assets, which consumed its reserves and capital. Because shareholders are unable to make up this gap, they have reached an agreement by which the state purchased 96 percent of the stock held by the financial group of Latinoamericana, Progresso, and

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Banco Consolidado for 1 bolivar per share. The state thus became the majority shareholder. The funds will restore the bank's liquidity.

Banco de Venezuela will be reprivatized once its books are back to normal. According to Noris Aguirre, the state wants to hold the shares no longer than necessary. She has announced there are several U.S. and European investors already interested in purchasing the bank:

[Begin Aguirre recording] We are going to recapitalize the bank, and we will begin the studies immediately afterward to call a private bidding contest. The emergency board will decide on this matter in the next few days. The investors arriving this week will then be able to request the information package and then bid for majority control over the bank. [end recording]

The new Banco de Venezuela Board of Directors was elected during the meeting. The chairman will be Jacques Vera, who reaffirmed business will continue as it has up to now at the banking institution:

[Begin Vera recording] We believe Banco de Venezuela will be able to continue working with the same spirit, appreciation, and attention to its customers as it has up to now, under its new management. There is a Banco de Venezuela customer in every corner of the country, and I am certain Banco de Venezuela will continue to be Banco de Venezuela. [end recording]

It was learned there will be a special shareholders meeting tomorrow to ensure the minority shareholders, who own 6 percent of the bank, are not harmed in any way.

[Madrid EFE in Spanish at 1732 GMT on 10 August reports the intervention of three additional Venezuelan banks: Banco Consolidado, Banco Progreso, and Banco Republica, "which will be subjected to an intervention." The report states "the government will fully guarantee the public's deposits." The report states there are now 13 banks "operating under government control."]

Proposed 1995 Budget Outlined

94SM0427A Caracas EL UNIVERSAL in Spanish 27 Jun 94 p 1 Section 2

[Text] Tomorrow, Tuesday [28 June], Finance Minister Julio Sosa Rodriguez will present to the Chamber of Deputies Finance Committee the proposed 1995 Budget, a document providing for expenditures of 2.369798 trillion bolivares.

Just as in the National Budget of 1994, a high percentage in this proposed budget, in truth, the greatest part of the expenditures, are concentrated in only eight organs of the Central Administration.

In the collection of numbers that make up the budget proposal that will begin to be discussed in Congress in the coming month of July and, certainly, until September, it can be seen that 84 percent of the funds, a little more than 2 trillion bolivares, are allocated to the following ministries:

- Interior: 17.36 percent.
- Education: 18.84 percent.
- National Defense: 6.08 percent.
- Health and Social Welfare: 7.01 percent.
- Urban Development: 5.13 percent.
- Transport and Communications: 3.05 percent.
- Environment and Renewable Natural Resources: 3.74 percent.

This distribution is very similar to that which was approved by the deputies and senators in the discussions of the 1994 budget. On that occasion, the ministries listed above absorbed 90 percent of total spending, an amount that was initially established at 1,430,535,240 bolivares, but which President Caldera's administration, after his arrival in the government, decided to reduce by 105 billion bolivares.

The 1995 Proposed Budget was prepared on the assumption that petroleum production would be 2.830 billion barrels daily. Exports of crude oil are estimated at 2.450 billion barrels.

The exchange rate, as already reported by EL UNIVERSAL, is calculated at 180 bolivares to the dollar, the price of gasoline at 12 bolivares per liter, and the tax rate at 7.3 percent of the gross domestic product.

For gasoline and other petroleum derivatives, the tax authorities have established a minimum goal of 107.293 billion bolivares. Gasoline alone will bring in 85.851 billion bolivares.

Income in the 1995 budget is equal to the sum of expenditures: 2,369,798,000 bolivares. About 76 percent is from current revenue, 6 percent is derived from borrowing, and 18 percent from the strategy of privatization and other sources.

Current revenue amounts to 1,802,843,000 bolivares, while extraordinary revenue is 566.955 billion bolivares.

It is noteworthy that, as a share of current revenue, petroleum brings in only 43 percent, while the Tax on Sumptuary Goods and Wholesale Transactions is second in importance, representing 21 percent of current revenue. The ISLR [income tax] and customs collections each account for 10 percent, petroleum derivatives 6 percent, and alcoholic beverages and cigarettes 3 percent.

As for funds raised by the state through extraordinary means, the greatest part is represented by the Program Laws, for 191.431 billion bolivares. Next is the sale of an issue of Bonds on the Public Debt, for 183.524 billion bolivares. This means that more than 66 percent of extraordinary income represents indebtedness.

Other sources of extraordinary income are privatization, 170 billion bolivares; reimbursements by businesses, 5 billion bolivares; and other payments, 12 billion bolivares.

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Total expenditures, which as already stated are 2,369,798,000 bolivares, are distributed as follows:

- Legal and contractual: 1.635311 trillion bolivares.
- Operating costs: 734.487 billion bolivares.

Roughly speaking, revenues for 1995 are estimated to be at least 787.631 billion bolivares, broken down as follows:

- Income tax: 434.742 billion bolivares.
- Customs collections: 172,676 billion bolivares.

As part of income tax provisions, an estimated 54.917 billion bolivares are expected to come from the Tax on Business Assets. Here, it should be pointed out that nonpetroleum income tax, generated by domestic economic activities, will reach 236.896 billion bolivares. The nonpetroleum gross domestic product is estimated to reach 8.72280 trillion bolivares.

The Finance Ministry estimates revenues of 23.206 billion bolivares from the tax on alcoholic beverages, and 34 billion bolivares from the tax on cigarettes.

The Tax on Sumptuary Goods and on Wholesale Transactions is expected to bring in 376.880 billion bolivares. The executive has proposed, with regard to this tax, a rate 12.5 percent on wholesale transactions and a surtax of 10 and 20 percent on articles considered by the law to be luxurious.

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